

# OFFICIAL RECORD OF PROCEEDINGS

Thursday, 29 March 2007

The Council continued to meet at  
half-past Two o'clock

## MEMBERS PRESENT:

THE PRESIDENT

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

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

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

THE HONOURABLE LEE CHEUK-YAN

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 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 WONG YUNG-KAN, J.P.

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

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

DR THE HONOURABLE YEUNG SUM

THE HONOURABLE LAU CHIN-SHEK, J.P.

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

THE HONOURABLE MIRIAM LAU KIN-YEE, G.B.S., J.P.

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

THE HONOURABLE CHOY SO-YUK, J.P.

THE HONOURABLE ANDREW CHENG KAR-FOO

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

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

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

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

THE HONOURABLE ALBERT CHAN WAI-YIP

THE HONOURABLE 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., J.P.

DR THE HONOURABLE JOSEPH LEE KOK-LONG, J.P.

THE HONOURABLE DANIEL LAM WAI-KEUNG, S.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

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

THE HONOURABLE KWONG CHI-KIN

**MEMBERS ABSENT:**

THE HONOURABLE ALBERT HO CHUN-YAN

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

THE HONOURABLE BERNARD CHAN, G.B.S., J.P.

THE HONOURABLE LAU KONG-WAH, J.P.

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

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

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

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

THE HONOURABLE ALBERT JINGHAN CHENG

THE HONOURABLE TAM HEUNG-MAN

### **PUBLIC OFFICERS ATTENDING:**

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

THE HONOURABLE WONG YAN-LUNG, S.C., J.P.  
THE SECRETARY FOR JUSTICE

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

THE HONOURABLE DENISE YUE CHUNG-YEE, G.B.S., J.P.  
SECRETARY FOR THE CIVIL SERVICE

### **CLERKS IN ATTENDANCE:**

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

MRS JUSTINA LAM CHENG BO-LING, ASSISTANT SECRETARY  
GENERAL

## **BILLS**

### **Second Reading of Bills**

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

**PRESIDENT** (in Cantonese): Council will now continue with the debate on the Second Reading of the Appropriation Bill 2007.

#### **APPROPRIATION BILL 2007**

##### **Resumption of debate on Second Reading which was moved on 28 February 2007**

**MRS SOPHIE LEUNG** (in Cantonese): President, with the favourable economic condition in the year that passed, the Government is able to share economic benefits with the people this year. Meanwhile, the Government also has high aspirations to develop a knowledge-based society, so it has embarked on the nurturing of social enterprise talents and has given more resources to cater for women growth and for providing services to the community to help them become self-reliant. In the past, colleagues from the Liberal Party and myself have both put in efforts to promote the development of social enterprise and self-reliance of women, and we had actually got ourselves involved in the promotion. Today, we have seen some achievements and hope that with the Government's increased support, better developments will continue to evolve.

Taking a comprehensive look at this Budget, one can see that the Government has touched on areas like self-reliance, pooling of talents, promoting employment, self-enhancement, and so on, this direction is very correct and is also what the Liberal Party has always been promoting society to implement. In fact, if such development can further be added to the framework of "entrepreneurship", we will be able to see a more complete and comprehensive picture, and this will also be more in line with the trend of development for the 21st century.

Recently, there has been a case of a mainland tertiary institution graduate who came to Hong Kong for employment through the admission of professionals scheme. He had earlier taken a postgraduate course in Hong Kong and participated in the YDC E-Challenge organized by The Young Entrepreneurs

Development Council Limited and was an award-winner. He remarked that currently, the biggest competitors for Hong Kong students were the new intellectuals and professionals like himself who have Chinese background and Hong Kong experience. Hong Kong universities keep on tapping mainland elites to pursue education in Hong Kong, and this Budget even encourages them to stay here for development. That being the case, how should Hong Kong youths face up to such competitions?

In the "World Declaration On Higher Education For The Twenty-first Century: Vision And Action", it is mentioned that "graduates will increasingly be called upon to be not only job seekers but also and above all to become job creators". Entrepreneurship education has become the goal which the education sector worldwide is actively pursuing. A knowledge-based society should be driven by "entrepreneurship" and under this framework, we should update our mindset regarding education. Entrepreneurship education is a completely novel education concept, and its mode of learning lies in how to guide students to develop their own thinking. Through an enlightening education mode, students will be able to lay the foundation for self-exploration, self-enhancement and self-learning. Entrepreneurship education is the learning of the way to think and of attitude, it is creative and inspirational. It has broken up the traditional mode of one-way learning, and the role of teachers is to explore the potentials and thinking domain of students and guide them to incorporate entrepreneurship into their living, learning and work, so as to elevate learning to the level of living and society. Entrepreneurship education may be novel to the education sector (with the education sector in Hong Kong in particular), the academic circle in general has no knowledge of it and teachers also lack the relevant experience in this respect. Therefore, it requires the co-operation of the whole community for integrating the concept into the current education system, and the Government should also consider formulating relevant policies to foster co-ordination. In my opinion, entrepreneurship education should be all-directional, it should be introduced to schools at all levels. Only then can Hong Kong nurture talents suitable for a 21st century knowledge-based society. Bringing in talents is important, but nurturing local talents is our first priority for the fundamental development of our society. It is also a responsibility for us who can act as models for the others and the students to take up.

Earlier, I met with some associate degree undergraduates and they raised many questions on associate degree education. First, they considered associate degrees not worth the money spent. Apart from the courses offered by certain universities the quality of which can be said to be better, many associate degree

courses available are shoddy, with the quality of teachers varied and course contents loose, giving people the feeling that they are ripped off. Besides, the biggest problem is associate degrees fail to help them get a job or pursue further studies because employers in Hong Kong mostly regard associate degree holders as matriculation graduates, and the chance for associate degree graduates to pursue their studies in local universities is very slim. Actually, I also feel strange as to why we cause the associate degree students to misunderstand that upon graduation, they will surely make their way into the universities? These youth talked tirelessly about their worries and helplessness and I also felt very sorry for them. Can the Government, society, and in particular, the organizations and people who organize those associate degree courses ask themselves what they want to do for these young people? What expectations do they have? I can see that these students are very lost. I have to ask one more question: have our social resources been appropriately used? The fact is there has been a drastic increase in the number of associate degree places but as far as I have heard — I have no such concrete information — the enrolment figures are on the decline. I even heard that last year, among the associate degree courses offered by The Chinese University of Hong Kong, some courses admitted less than 10 students, and some even only admitted one. The reality simply tells us that associate degrees cannot satisfy the learning desire of youths, or we have offered them too many illusive expectations, and the associate degrees have failed to become their confident choice to brace for the future. That being the case, we should therefore give it a second thought. Are we making use of this valuable social resource appropriately?

President, there is one more point I would like to bring up, that is, "travelling brings about far greater benefit than mere book learning". Can society offer some grant schemes or low-interest loans through which young people can further their studies in some second-line provinces and municipals on the Mainland, or even negotiate with these schools the kind of associate degree courses we have in mind? Then, in so doing, apart from providing an additional opportunity for them to widen their vision, exchanges between the two places can also be promoted, thereby deepening their understanding of the Mainland and enabling them to learn more of the things outside Hong Kong. This is conducive to the interests of both Hong Kong and the Mainland. In this regard, I think it is worthy for society to further study and discuss, and this may also be an option for making better use of public money.

President, I want to state here that in fact, apart from discussing education for students, we should also enhance the concept of all-directional education and

community education for society. What I said earlier was targeted at students who have enrolled into educational institutions, but regarding the importance of lifelong learning and community wisdom, that is, wisdom which does not come with diplomas and the like, we should also give encouragement. One more point I would like to make is relating to education for those who do not have high academic qualifications or some who have little contact with society, of course, the Commercial Radio is currently launching the Capacity Building Mileage Programme, and the Government has provided a funding of \$10 million for the Programme to run on for three years. I think these should be given more encouragement.

One other point is related to all-directional education and education for the community: how are we middle-aged people, in the face of retirement age and longer lifespan in future, to spend those 30 years? I have said in this Council that this is a second adulthood, how are we to promote this so that more people will understand clearly and be benefited psychologically? If they can make use of their potentials in society in those 30 years that comes after their retirement age in future, this is also a kind of resources.

Another point is about governance culture. To me, governance culture in Hong Kong has not been enhanced for the time being. I would like to mention an editorial published yesterday. Recently, Hong Kong newspapers have reported that Hong Kong's comprehensive competitiveness ranked first. Actually, what is comprehensive competitiveness? That means among the main index rankings of talent competitiveness, structural competitiveness, regional competitiveness, government management competitiveness, and so on, Hong Kong came first. However, meanwhile, we can also see that there are two hidden worries for Hong Kong's competitiveness — I am quoting from the editorial — first, Hong Kong's growth index ranked 198, third from the bottom; second, progress of Hong Kong in boosting competitiveness is far behind that of Chinese cities like Shenzhen, Shanghai and Guangzhou. In the long run, if the pace of Hong Kong is so slow, likening it to the tortoise-rabbit race, it will be very easy for the crisis of being overtaken by latecomers to emerge.

Second, as for Hong Kong's competitiveness in system and management which we have always taken pride in, our rankings this time have only been at 11 and 23. In the broad sense of governance culture, I wish the Government can face these two rankings squarely to see how better they can be boosted.

President, what I also want to say is this Budget has touched on the development of creativity, and has ploughed in resources to develop the film industry. This is what the industry has been yearning for years. I look forward to seeing the film industry, which has once flourished in Hong Kong, be in full bloom again in future.

In fact, creativity is not only the driving force for the economy, but also the channel for the grassroots to get out of adversities. If Hong Kong is to be successful in developing social enterprises, it has to encourage and make use of people's wisdom. In countries abroad, some social enterprises operating as large-scale enterprises do not end up in success in a shot, but they should not be the model for the Hong Kong society to follow immediately. On the contrary, a vast amount of creativity and encouragement is required for identifying people's need in the community, for developing slowly these new services by social enterprises and for finding a foothold in the community. President, I would like to repeat here that for social enterprises to develop, it is most important for the enterprises themselves to be independent in making their way ahead, they should not compete with others in the community, especially those existing small enterprises, for example, the traditional coffee shops. What is more, they should not expect long-term care from the Government, heaven, God or the Jade Emperor, or to obtain a safety-net policy by the Government. All these social enterprises are far from wholesome. Anyone who promotes such practices is defying and neglecting the feasibility of people's wisdom in society to develop social enterprises. I wish this will not be what we want to bring up.

I would like to cite some examples. For instance, the development of mutual child minding services under a membership system which I have mentioned in this Chamber, or the making use of community soup service to encourage low-income families or single elderly to enjoy healthy and seasonal soup at a cheaper price. During the prevalence of SARS last time, many authoritative persons said that the southern part of Guangzhou is very humid and soup is our historic wisdom. We should resort to soup to improve our immunity. However, since in recent years we do not drink soup very often, this may serve as a very good opportunity for raising the importance of soup. Moreover, for services like the supply of organic food, I know that some organizations are making a start. All these are room for developing creativity and are exactly the room for the survival of social enterprises.

President, at this juncture, I would like to spend a little more time to speak on medical services. I think the development of community health medical centres is a course that we have to chart because these centres can serve as a platform for fledgling doctors or Chinese medical practitioners to develop. Meanwhile, though the separation of prescribing and dispensing is not easy, we have to make a go at it. I believe many representative organizations in society will have their own views, but the Government must have the determination to weigh the overall benefit for society and proceed boldly, and there is no need to be too mindful of the benefit of individual organizations.

President, this is all I want to say today. Thank you, President.

**MR ANDREW CHENG** (in Cantonese): Madam President, on behalf of the Democratic Party, I would speak on the three aspects of medical, transport and labour of the Budget.

First, the medical aspect. This year, the treasury experiences a "financial flood", with the surplus amounting to \$55.1 billion. Just as some colleagues pointed out yesterday, despite the huge surplus in the overall Budget, and the fact that the Financial Secretary has also "handed out quite a lot of candies", resulting in over 60% to 70% of the people or even more giving their applauses, some are not benefited, for example, the working people earning a low income.

Moreover, I hope that the Financial Secretary can take a look at the Secretary, Dr York CHOW, who is sitting behind him, because I believe in his heart, he also agrees that in respect of medical expenditure and expenses, he may have racked his brains to think of ways to handle the enormous medical expenditure of Hong Kong. However, it seems that in this Budget, only a one-off funding has been provided for the purchase of facilities, whereas for recurrent expenditure, the Government is merely acting in accordance with what it has promised in the past, granting the Hospital Authority an additional \$300 million annually. Can this \$300 million be ultimately translated into the best primary medical service to be provided to the poor masses?

Let me cite New Territories East as an example. We discover from relevant documents that the waiting time for specialist out-patient clinics — I believe the Financial Secretary can learn from information on specialist out-patient clinics that the median waiting time for first attendance in all clusters

is 10 weeks — for the New Territories East Cluster, however, it is as long as 25 weeks, and this is talking only about the waiting time. Being a well-off government, a government which is "handing out candies" and embracing a surplus of \$55 billion, should the authorities increase funding resources for these clusters and specialist out-patient services to make up for the inadequacy, so that there is no need for patients attending these specialist out-patient clinics to wait for more than six months for a consultation? I hope the Financial Secretary will understand that the longer the waiting time, the longer the time for treatment is delayed, the interests and health of patients certainly will also be undermined.

Apart from patients, I would also like to talk about health care personnel. Since we are having a handsome surplus, we of course would like to see an increase in health care personnels, an improvement in services, followed by a shortening of the waiting time. However, unfortunately, the number of doctors to be increased by the Hospital Authority will be 24, but meanwhile, staff with salary commensurating with directorate grade salary point will be increased by 10, and the Hong Kong West Cluster accounts for five of them. Yet, despite the increase in the number of personnel remunerated at the directorate grade salary point in the Hong Kong West Cluster, the number of general beds for that cluster will unfortunately have to be cut by 40. For the additional annual funding of \$300 million, has it been used to improve services, increase beds, increase primary health care personnel, or has it been spent on increasing the salaries and promotion opportunities of senior health care personnel?

In recent years, the Hospital Authority has expanded private hospital care. Queen Mary Hospital in the Hong Kong West Cluster is the teaching hospital providing private hospital care. Every year, the utilization of private beds reaches almost 20 000 day-times. Just as I said earlier, the Hong Kong West Cluster will cut 40 general beds this year. It appears that fees collected from private beds will not be used for providing services for the grass-roots patients. As the Hospital Authority develops private hospital care, welfare for the grass-roots patients may ultimately be reduced, more medical resources will be used on the more well-off private patients, with the hospitals and the Treasury charging extra fees from them.

Recently, the admission of private patients by the Medical Faculty of the University of Hong Kong has aroused extensive social concern. While the private patients of the University make use of facilities and support of public hospitals, the University and the Medical Faculty will get 75% of the fees collected, with only 25% going to the Hospital Authority, but the University has

the power to grant waivers to private patients. If figures relating to private patients of the University are confusing, or a large number of private patients are granted waivers, can the Hospital Authority really get the full 25%? The Hospital Authority is making use of the beds and manpower of public hospitals which are already short in supply to care for private patients of the University's Medical Faculty, will this end up in a failure to even recover costs?

From all the above, we can see that after allocating this gigantic structure of the Hospital Authority a one-line vote of \$28.6 billion, the Government lacks a strict mechanism to monitor the subsequent use of resources. The general public is in a disadvantaged position. They apparently have no way to verify how much resources are actually used on improvement of services.

When hospital care is receiving an annual \$28.6 billion, the Department of Health which is tasked with disease prevention and health promotion for Hong Kong is just getting an annual funding of \$3 billion. When the Hospital Authority can create ten directorate posts in one go, the Government grudges spending \$15 million to provide free influenza vaccines to all elderly. The ordinance on smoking ban begins to take effect this year, but there are only 71 tobacco control inspectors to enforce the law territory-wide. I believe the Secretary may have received anonymous e-mail that among these 71 officers, many have secretly complained of work pressure and extremely heavy workload. Can they really carry out control on smoking as we have expected? This is very puzzling indeed. However, we should not forget that the legislation also requires that bus terminals and traffic interchanges be designated as non-smoking areas. The Secretary will announce the effective date later. Their workload will further increase then. If there is not enough manpower, the ordinance to ban smoking could not be strictly enforced, and will thus waste the efforts of the Bureau, the Legislative Council and all sectors striving to amend the legislation over the years. If necessary, the authorities really should further increase manpower. I believe this is the consensus of the public and the Legislative Council.

Madam President, I will discuss transport next. I will focus my discussion on railway development, tunnel diversion and cross-boundary traffic. In the Secretary's reply to me, it is said that progress on the Shatin to Central Link (SCL) is being "actively followed up", and that the Government would consider dovetailing it with the proposals submitted by the two railway corporations as well as other planning development. If the Secretary remembers, she should know that the KCRC won the bid for the SCL in 2002.

However, five years later, there is a big question mark as to whether works on the SCL will commence, or whether the SCL will be reduced to a "Shatin to Hung Hom Link".

From the SCL incident, we can see that the Government very often says that there will naturally be an answer after the rail merger. However, I wish that the Secretary would understand that at that time, when the Secretary, Mr Nicholas NG, asked the Legislative Council to support the Ma On Shan Rail, he had kept on saying — the record also shows that he had pointed out — the SCL would definitely be constructed, residents could surely travel by train from Ma On Shan to Central direct. While his words are still ringing in the ear, a few years later, the SCL is now gone and will in any time become the "Shatin to Hung Hom Link".

Although with the support of the ruling alliance, there is no possibility that the merger will fail, but it may turn out that some plans for railway development will disappear, or will even result in monopoly for rail price or fare. Regarding these problems, I believe Members who are present here should understand and consider whether the rail merger will be like what Secretary Frederick MA said, that is, one plus one exceeds two?

On the issue of tunnel diversion, colleagues of other political parties and myself have once and again pointed out, just as I believe, that tunnel congestion and uneven traffic flow of the different tunnels are the primary issues facing traffic in Hong Kong. Regarding the preservation of the Queen's Pier which has become a hot topic recently, the Government again stated that if the reclamation project was to be withdrawn, congestion in Central and Wan Chai would not be resolved. I hope the Secretary understand that if she is successfully reappointed, I would look forward to the addressing of the innate vulnerability faced by the Western Harbour Crossing, the Eastern Harbour Crossing and the Cross-Harbour Tunnel owing to their different locations. We have repeatedly proposed to the authorities that a tunnel management board can be established, fees can be standardized as far as possible, or a united flow management can be implemented to distribute flow, or to charge administrative fees according to flow, or even to buy back the tunnel. Of course, the Government will say that it does not want to practise "big government". This does not matter much, the authorities can discuss with the tunnel company to extend its franchise in return for the lowering of tunnel fees as far as possible, so that drivers will be willing to use this — which I always refer to as a Rolls Royce style — Western Harbour Crossing.

Regarding cross-boundary traffic, Madam President, recently, even we Members who do not have Home Visit Permits were able to visit the Shenzhen Western Corridor. We are most willing to work with the Government and the sector in resolving the most contentious issue of the Corridor, that is, the connection of cross-boundary traffic at the public transport interchange. Nevertheless, we see that out of the huge 20-plus hectares in the Hong Kong port area, the traffic interchange has only taken up 6 000 sq m, and no area has been earmarked for the operation of non-franchised buses. We think that this actually will not be able to meet the traffic demand upon the opening of the Corridor. Another pressing issue is in fact related to understanding the future transport need of New Territories West. After the commissioning of the Corridor, traffic burden of the New Territories West region will be increased, and I also have reservation about the over-optimistic estimate of the Government. I believe the Secretary also understands that if the fee for Route 3 remains unchanged, drivers using the Corridor will continue to take Tuen Mun Road as the main trunk road to and from the urban area. I strongly urge the Government to take measures to improve the situation of Tuen Mun Road, including the construction of the northern section of Route 10 without delay. Otherwise, I believe Tuen Mun Road will revert to its congested state in the '80s. By then, the Government of Donald TSANG will surely have to face more difficulties and pressure from the grassroots and the community.

Madam President, finally, I would like to briefly make a few points on labour, which are relating to the protection of labour interests, creating job opportunities and improving the wealth gap. Regarding the protection of labour interests, the long-standing issue of introducing legislation for minimum wage has still not been resolved. Take the Wage Protection Movement which the Government has promoted intensely as an example. Only about 800 employers have participated. With the number of employers now standing at hundreds of thousands, the number of participating employers is minimal and the beneficiaries are only limited to cleaners and security guards. This in fact is ignoring the predicament of all other low-income earners.

As regards the creation of job opportunities, the performance of the Government is far from satisfactory. This year and the year following, expenditure for government projects only amounts to about \$20 billion, which is far less than the pledge to earmark \$29 billion annually. Information provided by the Census and Statistics Department indicates that job opportunities created by the Government and public project sites dropped from 37 000 in 2001 to only

20 000 last year. It is obvious that projects initiated by the Government have failed to solve the current 10% unemployment rate of construction workers.

Lastly comes the wealth gap issue. I believe this is a matter of internal policy and ideology for the Government, rather than the implementation of policies. I hope the Financial Secretary can continue to lead the Government in the next few years, to dish out, as I hope, the huge surplus not only to some middle-class or those with money to pay tax, but also to benefit the general masses, especially those who do not pay tax. If the Chief Executive, Mr TSANG, can live up to what he said, paying attention to those with or without money, with or without power, then I would urge him to surely show concern for the grassroots who are moving their footsteps towards the road of poverty.

Madam President, I so submit.

**MR DANIEL LAM** (in Cantonese): Madam President, economic development in Hong Kong in recent years has been encouraging, with growth for these three years all exceeding 7.6%. Momentum for economic growth is strong, and as a result, the Treasury of the SAR Government, which has been faced with fiscal deficits for eight years, registers a surplus of over \$50 billion this year, almost 10 times more than what is projected. In view of this, this year, the Financial Secretary has taken "revitalizing the economy, promoting employment and improving people's livelihood" as the starting point to respond actively to public demand, paying back the people \$25 billion.

The amount of money handed out, the wide spectrum of beneficiaries, and the method of direct distribution adopted in this Budget are unprecedented in Hong Kong, with the middle class and the poor who are waiting for assistance reaping the greatest benefits. This has a positive effect on promoting social harmony and encouraging consumption.

Nevertheless, as an outward economy and a mobile city, Hong Kong is vulnerable to both internal and external political and economic factors. Because of this, the Budget not only generously handing out money on the one hand, but also sticks to the principle of fiscal prudence on the other, in order to plan for Hong Kong's overall economic development and long-term development in future. Actually, the pace of development of regionalization and globalization has come up with a slowly progressing pattern, and the economy of Hong Kong

is even facing an all-directional challenge unexperienced before. Recently, some surveys also indicated that Hong Kong's competitive edge is obviously weakening. We are having more and more competitors, a state which has created even more uncertain factors for the long-term development of Hong Kong's economy. The Government should never face up to this with complacency.

Madam President, the Budget also mentioned that Hong Kong has to establish complementary, mutually co-operative and interactive relationship with the Mainland, to facilitate the "entry" of financial professionals from Hong Kong and the "reaching out" of the vast amount of mainland funds, so that Hong Kong can provide a global investment platform for the Mainland. Moreover, it is proposed that Hong Kong and the Mainland can work together to establish channels to allow cross-boundary access to financial tools issued in the two markets, so that before Renminbi becomes fully circulatory, Hong Kong can first serve as a trading platform. In addition, in order to attract more quality overseas companies to be listed in Hong Kong, the authorities are now redrafting the Companies Ordinance to ensure that the need for Hong Kong to develop as an international commercial and financial centre can be taken care of.

Finance, trading, logistics and tourism are the four main pillars for the development of Hong Kong's economy. In the past few years, the Government has made efforts to create favourable conditions conducive to the development of tourism. In this Budget, the Financial Secretary has also intentionally provided hardware for the logistics industry and created software for the financial industry. These are measures worth praising.

Nonetheless, there are some inadequacies in this Budget. In particular, in respect of developing the economy, at present, urban population is ageing, and in the New Territories, elderly have accounted for more than half of the population, but the Government has not mentioned much in this regard, with the development strategy still being focused on Hong Kong Island and Kowloon, to the neglect of the demand of residents in the New Territories and the rural area to enjoy a share in Hong Kong's prosperity.

Madam President, take the one-year transport subsidy as an example. The monthly subsidy is only a few hundred dollars, with only the full-time workers eligible. It can be said to be of no help to those poor families or "semi-housewives" travelling to the urban area to work part-time or take up

casual jobs. The Government has proposed opening up the Frontier Closed Area, why then does it not expedite the opening up to set up more industrial area or border commercial area, so as to give New Territories residents of Tin Shui Wai, Yuen Long, and so on, an additional choice of working in the neighbourhood?

Currently, the Government is having a handsome surplus, construction works for projects left behind by the two former Municipal Councils should be expedited, but regrettably the Budget did not mention this. Actually, regarding projects left behind by the two former Municipal Councils, if the Government can cause the construction works to be expedited, not only can community environment be improved, but numerous job opportunities can also be created. I wish the Government can fare better in this regard.

Madam President, the first thing to do in boosting the economy is to clearly identify the objective and direction. The development of West Kowloon and the Kai Tak site is of course a top priority for the Government, but for the piece of land in Lantau Island which has laid waste for long, nothing has been marked to follow after the opening of the Hong Kong Disneyland and the Ngong Ping 360. Plans like Container Terminal 10, logistics park and resorts are opportunities which Lantau residents have long awaited, but unfortunately, the Government fails to formulate long-term policy in this regard for implementation. As for corresponding facilities, nothing has been mentioned, thereby denying local residents of the chance to take a share in the overall economic achievement.

Madam President, this is a pragmatic and mild budget, fulfilling the objective of making good use of the surplus and returning wealth to the people, though it still lacks vigour in pushing forward Hong Kong's long-term development objective and strategy. In fact, being a small place with insufficient resources, Hong Kong has to fully utilize each and every piece of its resources if it is to sustain its economic development. The Heung Yee Kuk has to point out again that in developing local community economy, the Government should treat every district alike. The Heung Yee Kuk proposes that the Government should speed up construction of ancillary facilities for the Frontier Closed Area and expedite the development of Lantau Island, releasing the development of rural areas from its conservation policy, for in this way, vitality could be injected into Hong Kong's long-term prosperity and rural residents in the New Territories be allowed to really share in the economic achievement of development. I so submit. Thank you, Madam President.

**MR LEE CHEUK-YAN** (in Cantonese): President, Secretary TANG displays his prowess once he stands out. Recently, he has been beaming because of the numerous applauses he has won. In the past, we always said that the Secretary was a miser, but today, he is spending lavishly. I think he has obtained vindication and been cleared of the notorious title of "miser". As we can calculate, through rebating tax, cutting tax and rates, he has spent \$20 billion in one go. Undeniably, all these measures make the people feel good.

Mr LAU Chin-shek said yesterday that it was difficult for him to oppose this Budget. However, President, difficult to oppose does not mean that I will definitely support it. It is difficult to oppose, because the handing out of "lai see" is difficult to oppose. There is no reason to disapprove of others handing out "lai see". Whoever likes handing out "lai see" can do so, that is his right, but this time, he is using public money as "lai see".

On the other hand, I feel that I have to say this on behalf of the low-income group or the working poor: Secretary, you are too unfair. Why is it that in this Budget, they are just being treated like abandoned orphans? Why is it that they seem to have been left out of everything, are they invisible in the radar net of the Secretary? This time, the one thing that makes the Secretary look very prowess is that, almost everyone gets a share in the results of economic prosperity: all taxpayers are entitled to tax rebate and tax reduction; people paying rates are granted rates waiver for two quarters; CSSA recipients and those receiving "fruit grant" can have an extra month's allowance. However, Secretary, why do you have to penalize those who have been working hard, feeding the family with a few thousand dollars, not paying tax and not paying rates? Why do you have to penalize the diligent workers? Or are you deeming that they are transparent?

I very much hope that in preparing the Budget, the Secretary will refrain doing anything for the disadvantaged group in Hong Kong, especially the working poor. Although you have handed out a lot of "lai see" in the overall Budget, I think you are virtually non-committal to the most needy.

Of course, you may say that I am not fair to you because you also have some measures targeted at them, one of them being the transport subsidy for those residing in remote areas. This is what you undertook to do last year. It is still a good thing that you are implementing it this year. This is clearly last year's undertaking, it was promised in last year's Budget and should have been implemented in the previous financial year. In any case, however, you can be

said to have done something for the low-income workers living in remote areas with regard to transport expenses. Yet, if such people are not residing in areas like Tin Shui Wai, Yuen Long, Tuen Mun, Tung Chung or the out-laying islands, they will not be eligible for the subsidy. To the low-income community, this measure fails to have taken care of their needs in a comprehensive manner.

In addition, there is a very big shortcoming in this transport subsidy. I very much hope that the Secretary can reconsider. I have also pointed out over and over again in the Subcommittee to Study the Subject of Combating Poverty (the Subcommittee) of the Legislative Council that the measure of the Government this time is to enable those with a monthly salary below \$5,600 to be eligible for the subsidy for six months, but I have always hoped to fight for a one-year subsidy of \$600 per month for those with a monthly salary below \$6,600.

Actually, up till now, I still cannot understand, just as in the Subcommittee, I once asked the Government why should it be fixed for only six months? Does it mean that they will not need assistance after six months? If a person living in a remote area has to travel to Central or Kowloon to work, his travelling expenses have always been over a thousand dollars, that will not fall to a few hundred dollars after six months, and he still needs the assistance.

Of course, you said you were only giving them a helping hand. To be frank, if they can be helped, and if their salary exceeds \$5,600 afterwards, it will not be necessary for you to offer them the subsidy. However, if they do not get a salary increase, and their salary remains below the line, why can the Government not assist them for one year? I think this is totally illogical.

I very much hope that the Secretary would think about this, since you have handed out \$20 billion, if you are keen to lend them a helping hand, where does the difficulty lie? This is also reasonable because they have such a need. They work hard and if you subsidize them for one year, everyone will feel that you can do more for them. Nonetheless, even if you have given them this extra favour, residents of other districts would not get any help either. Yesterday, I attended the meeting of the Shatin District Council. They have conducted a survey on low-income families. In fact, we really have to take a look at the findings of this survey. The survey interviewed low-income families: 30% of the respondents said their income saw no increase in the last two years, only 15% said their income was raised, the rest said there was neither any increase nor

decrease; 30% of the respondents said their income was slashed, 15% said there was an increase. Against the background of economic revival in the last two years, this situation is very grave indeed.

Moreover, the survey asked them further how many felt that they could not make ends meet? Half of the respondents gave an affirmative reply. Among the low-income group, how are they to make a living? That half of the respondents have to resort to selling family silver or using credit cards or even borrowing from loan sharks. Looking at these figures and plights, I very much wish that the Secretary would really give it some thoughts and do something for this group of low-income earners and the disadvantaged group.

Therefore, President, I feel that finally, in this regard, I have to make a very clear protest for the low-income vulnerable as the Government has virtually not taken care of their needs, thus aggravating the wealth gap, making the poor poorer and the rich richer. This Budget should be fully accountable for this result, that is, for making the stronger stronger and the weaker, weaker. Secretary, I do not know if you will remain to be the Financial Secretary, but no matter what, the future government can do more in this respect.

Furthermore, President, I would like to point out in particular the creation of job opportunities. Every time the Government mentions this, it will on one hand say the market will adjust it well, but on the other hand, by making a mere funding of \$29 billion for infrastructural purposes, the Government seems to behave as if it has already done what it should do. However, President, I have to bring up two issues here, hoping that the Secretary will pay special attention to. First, even if \$29 billion is used for infrastructural purposes, many infrastructural projects are in fact of very large scale, to such extent that there are not too many job opportunities. On the other hand, the demise of one sees the resurrection of another, these infrastructural projects were commenced once but later suspended. Now with a funding of \$29 billion for infrastructural development, follow-up work can be carried out but the work is not new, neither would it translate into job opportunities for more people. Taking this infrastructural funding of \$29 billion, we can at the same time see that many infrastructural projects of the Government are of a small scale, particularly the projects of the Leisure and Cultural Services Department, and over a hundred of these projects are left behind by the former Municipal Council of which many have barely started working. I strongly wish that the Secretary can beef up effort in this respect and cause those works to commence sooner.

The second major problem is that such infrastructural projects can very often provide job opportunities for construction workers. If the prefabricated parts of the infrastructural projects are manufactured on the Mainland, they in fact cannot be benefited, therefore, such infrastructural projects cannot really benefit local workers. I hope that the Secretary can think more of other measures, especially when Secretary Dr Sarah LIAO is also in attendance now. I have always asked her this: why is it that environmental protection industry is still not developed in Hong Kong? Up to now, I have not seen that environmental protection industry has really created job opportunities. Can something be done in this regard? Every day, we are paying over \$100 per tonne as landfill handling fee, why can we not pay over one hundred dollars per tonne to get the environmental protection industry started? I also hope that the Secretary can consider this.

Another major problem rests with government procurement. President, the Secretary has to understand one thing, as regards outsourcing, the Government is under restriction to offer a minimum wage, but we now discover another new phenomenon: truly there is the minimum wage requirement for outsourcing, but the Government has not set a total number of working hours when outsourcing. This means that it only stresses service quality and does not care how many people are involved. Therefore, the phenomenon now emerging is that all contract jobs outsourced by the Government are beginning to cut manpower.

In fact, we feel that there is no need to cut manpower as the jobs have to be handled by people. Of course, when the contractors are competing for contracts, they sometimes have to fight for the contracts by cutting manpower. In the past, they relied on staff exploitation to win the contracts, but they cannot do so now. With the minimum wage requirement and strict monitoring by us, they cannot cut "wage" and can only resort to cutting "other people's jobs", winning the contracts by cutting manpower. We consider this utterly inappropriate because job opportunities will thus be reduced as a result.

For instance, recently, there should be 24 workers at the Cheung Sha Wan Government Offices, but now, there are only 20, and among them, three are only part-time workers. With regard to reducing manpower, it can be seen that the Government is basically still very weak in creating job opportunities.

On the other hand, President, the second main shortcoming of the entire Budget is a lack of long-term commitment. At present, expenditure accounts for 17% of Gross Domestic Product. The Government once said it can reach

20%. Using the measuring criterion of the Government, there is in fact room for using money to do more. Thus, can the Secretary do more in this area? For example, in the area of small-class teaching, just as it has been mentioned the other day, there will be \$10 billion each year. So let us get started, we are not without money now. How can we have the money for handing out but no money for long-term work? Why can money not be turned into long-term commitment? The Exchange Fund in particular now stands at \$1,000 billion, of which \$300 billion to \$400 billion is for defending the Hong Kong Dollar while the rest is accumulated surplus and fiscal surplus. When we met the Secretary the other time, I asked the Secretary if \$60 billion could be taken out for establishing a social development and training fund. This is obviously a meaningful investment for society, for this is putting capital in a fund instead of the Exchange Fund. Investment from the Exchange Fund may bring monetary return but investment in social development will have social return which is not to be ignored. The Secretary has kept saying a lot of money can be handed out this year, why can we not invest in society? This is better than simply handing out money which is shortlived. In the long run, we are of the opinion that the Government has lacked commitment. Therefore, in terms of long-term commitment, this Budget is really disappointing.

On the other hand, of all budgets, this Budget sees the biggest discrepancy. The "King of discrepancy" is not the Secretary, it may not be entirely connected with him because the real "King of discrepancy" is the government departments. They all posted discrepancies, some \$15 billion has been under-spent. I am not saying that it is wrong for the Government to spend less. It may be right in some areas, but this has led the Secretary into making the wrong estimation. Why does such a situation arise? We are not saying that in the end, the Government should spend money casually, this is not right either. But Secretary, since some departments finally discovered that they have spent less, can the Government introduce some new plans or invest in some new projects to narrow down the discrepancy and really do something to repay society in order to solve the discrepancy problem? By so doing, you will not have to bear the name of the "King of discrepancy".

President, finally, I would like to talk about non-civil service contract staff. Secretary Denise YUE is also in attendance now. You have heard it many times and may say that LEE Cheuk-yan is being repetitive again. Since the Secretary is in attendance today, I of course have to say something. First, I welcome the lifting of the 160 000 ceiling which I do not know where it originates. In the following year, the establishment will be around 162 000. However, I still consider that the Government is not treating the non-civil service

contract staff fairly. There are at present 16 000 of them, of whom 4 000 can be re-employed as permanent staff and the remaining 12 000 cannot be re-employed. I am not saying that those 12 000 must all be re-employed because if some jobs are really short-term ones, I cannot say so. Some jobs are really of a very short-term nature, for example, some kinds of computer work, once completed, there will be no need to renew their contracts. Nonetheless, some are not short-term jobs, they obviously are not. For example, in the Hongkong Post, there are 2 000 contract staff, many have worked for more than 10 years but are being treated as short-term contract staff. The reason is that the business of the Hongkong Post fluctuates, thus, this pool of staff is essential for they can report for duty at any time and can be dismissed at any time. This is extremely unfair. No matter how fluctuating the business may be, is there a need to retain 2 000 staff as buffer or cushion? So, I think no matter what, there is room for those 2 000 staff to be re-employed as permanent staff. There is no reason why not one of them can be re-employed.

On the other hand, we are not satisfied that they do not receive a "through train" arrangement. In our opinion, since they have worked here for so long, they are actually experienced and should become civil servants smoothly. This is because they are experienced and this should be a natural arrangement. Instead, I think the "3+3" requirement — that is, three years probation plus three years contract — should be dropped for them because they really have undergone probation there for a long time. Some have been on probation for five years, others for six years, why can this requirement not be dropped? Therefore, we consider that there is actually much room for improvement in this respect.

Lastly, regarding civil servants pay rise, I am much worried about the case of "fattening the top at the expense of the bottom". I hope the Secretary would pay special attention to the result of this exercise. If only a minority gets a pay rise while the majority is left out, or *vice versa*, that will not be favourable. In conclusion, everyone should have a share and discrimination should not be allowed.

Thank you, President.

**MRS SELINA CHOW** (in Cantonese): President, there is an uniqueness in this year's Budget debate — an uncertain factor exists for the first time, and that is, for once, we do not know who will be the Financial Secretary for the next term.

In theory, the Financial Secretary is the plenipotentiary of the Budget. In regard to the future policies and measures on public finance, when Members ask the Financial Secretary to accept their views, how meaningful will that be? For instance, the Liberal Party proposes to lower taxation for the middle class and the small and medium enterprises (SMEs), as well as various financial suggestions, and even if they are accepted by Financial Secretary Henry TANG — I quote a very special example, which is to request lowering the duty on wine. Will that be accepted by the succeeding Financial Secretary? I quote this example in particular because I remember very clearly the Chief Executive, Mr Donald TSANG, agreed very much to the lowering of duty on wine when he was the Financial Secretary. However, what his succeeding Financial Secretary did was completely against this direction.

Of course, the Chief Executive for the next term has been elected. This is already a fact which also helps to reduce the issue of uncertainty. However, both the public and Members may generally expect the Chief Executive to give us assurances at an early date. For our various requests to the existing Government, in particular, we also hope to listen to some concrete responses from the Government, instead of having the questions passed to the next Government and deemed that work has been done.

Since October 2003, a levy of \$400 per month has been imposed by the Government on more than 200 000 employers of foreign domestic helpers (FDHs) in the territory. It is commonly known as the "levy on FDHs", but the Government named it as the "Employees Retraining Levy". The purpose is that employers of FDHs can share part of the cost for training or retraining local low-skilled workers. Although we agree with that purpose, we do not agree with the source of that income.

Back then, since the economic environment in Hong Kong was not so robust, the Administration hoped that we could tide over the difficulties together and thus came out with this way, so that the Government can reduce the cost of training local labour. Although the Government says that this "Employees Retraining Levy" is not a taxation item and is nominally not a tax, it actually is a source of taxation to reduce cost.

Nevertheless, FDHs thought that it was discrimination against them as their salaries had to be reduced before imposing the levy on them. Hence, they sought judicial review in 2003. Although the Court of Appeal ruled in favour

of the Government in July last year, the FDHs associations stated that they would continue to appeal up to the Court of Final Appeal.

Since the Administration is worried about the risk of facing a lawsuit, it has frozen \$2.7 billion of levy accumulated to date, and not a cent has been used. I am afraid that only when there is any possibility of appeal from the FDHs associations, the day on which this sum of money can really be used will be beyond the foreseeable future. As a result, the levy has been collected but no one can be benefited. Not only is the levy paid for no purpose, but both the middle class and the grass-roots level have also become losers in the game.

This \$2.7 billion is not a small sum of money. This is not fair to the employers of FDHs either. In a way, they have to contribute endlessly to the Employees Retraining Board, adding to them an extra burden. However, this sum of money has never been used. Basically, there is no need to accumulate such a big amount of money. If we take into account the interest, when we are talking about 10 millions of dollars which has been accumulated for four years, how much money in total would that be?

At present, the statutory minimum wage is \$3,400 per month, which has been raised every year over the past two years. Although the level is still lower than that before the reduction by the Government between 1999 and 2003, with the addition of the \$400 levy on FDHs, the cost of employing a FDH is at least \$3,800. Besides, it also includes meals, housing, medical expenses, labour insurance, return tickets and even daily traveling expenses. In rough calculation, I believe that one needs \$5,000 to \$6,000 per month in employing an FDH. To a middle-class family which is shouldering substantial daily expenses, like repaying housing mortgage, contributing to parents and also supporting children's living, this is very exhausting. If their children are not enrolled to a non-profit-making kindergarten, they could not apply for "education vouchers" and the expenses will be higher, not to mention when their children will study in directly subsidized schools or international schools.

What is more deplorable is that employing an FDH could be regarded as a luxurious move in the past, but which is not the fact at present. If both husband and wife need to work, an FDH is indispensable. To families with young couples, this burden is very heavy. The population policy that we are now advocating is to encourage the young generation to expand the families. However, the present situation is not convincing enough to them.

During the special meeting of the Finance Committee, the Bureau said that they would study some feasible means to "defrost" this \$2.7 billion. Although it is already too late to "defrost" the levy collected over the past four years, we should still go ahead with no delay. To middle-class families, I hope that they can receive positive news on this aspect as soon as possible. Nonetheless, we still reckon that since there is already \$2.7 billion in public coffers, the levy should in fact be suspended as quickly as possible.

Meanwhile, in alleviating the mortgage burden of the middle class, in the 1998-1999 taxable year, the Government actually introduced tax deduction of home loan interest for a period of five years. It was later extended to a period of seven years in the 2004-2005 Budget, and was again extended to 10 years last year. However, even under the present situation when it is financially abundant, the Government has not mentioned turning the tax reduction of home loan interest into a long-term measure. We, the Liberal Party, have been appealing to the Government about this as we think this should be a long-term measure. A lot of people from the middle class vented their grievances to us saying that they were a sandwich class. The grassroots can enjoy a lot of welfare, including housing benefits, but the middle class only has the duty to pay tax. They could seldom receive such assistance and this is very unfair to them.

Back then as the budget deficit was still serious, the Government did not turn the tax concession into a permanent measure. The situation then is understandable. However, at the present moment, the Government can really reconsider turning this into a permanent measure. I believe that this not only can utterly reduce the burden of the middle class, but can also encourage them to purchase their own homes and enhance their sense of belonging. This is highly recommendable.

To the SMEs, especially shop operators, the escalating rental is an issue causing serious headache indeed. Although the Government proposes to waive rates on domestic and non-domestic properties for two quarters this year, which is slightly alleviative, the Government should, in the long run, still consider how to minimize the operating costs of SMEs. When the economy was sluggish in the past, the Government had relaxed its policies in order to encourage people to start business and to provide opportunities for SMEs. Take private kitchens as an example, relaxing the policies did help the operation of SMEs. However, on the other hand, it seems that the retail trade has not received any assistance. Some measures have even strangled the creativity of the community and the

vitality of the market. We should not forget that SMEs actually account for 98% of the companies in the Hong Kong, providing 60% of jobs in the private sector, thus relating to the livelihood of millions of Hong Kong people.

I would like to again talk about the case of Yip Fat Factory Building in Kwun Tong. During a motion debate two months ago, I have given a detailed account of the difficulties they encountered. Those business operators already moved in are now unable to continue their operation, that is to say, these "tiny" enterprises are unable to continue their wholesale, retail and related activities as they have no way to change the existing usage of the factory building. In fact, the biggest obstacle comes from the Lands Department and the Fire Services Department, especially from the latter. If we adopt the old mode of regulation to assess the case, they are surely not allowed to change the usage. Undeniably, this will waste a lot of social resources.

President, some "tiny" enterprises found a way out for these vacant units with their innovative ideas. Not only can this create job opportunities and start up the economy, but this can also help these industrial areas to change their usage. This can be beneficial to both sides. However, the existing statutory regulations are indeed not updated and have therefore failed to cope with the changes of the times. In addition, quite a lot of government departments just stick to their books as they have the mindset of being worldly wise and playing safe. As a result, community creativity has inadvertently strangled and market forces for a naturally come by structural change of the economy stifled. I sincerely hope that the Government of the new term can have the determination and courage to go forward and find a solution to the problem.

President, quite a number of Members also call upon the Government to commence works for the essential infrastructures as soon as possible, so that the public can enjoy these facilities sooner. At the same time, this can also create job opportunities for the construction industry and other related trades. I am a member of the Public Works Subcommittee. During the meetings in the recent one or two years, a pet phrase could be heard throughout, and that is: Can it be expedited? No matter whether it was a large-scale or small-scale project, we always have to bargain with the officials. We found that in the final analysis, the departments concerned were always very conservative in respect of the projected period of time needed for the projects. They would often reserve a lot of room. If we bargain with them, they would give us some sort of a counter-offer. We just cannot help asking: Why did the departments fail to study removing this kind of room in the first place internally so that they could deal with each item with the highest efficiency?

In fact, when contracting out a project, the Government should encourage the contractor to work out ways to complete the project within the shortest time span possible under the premise of guaranteed quality. Due credit should also be given to this when selecting the bidders. For many years in the past, the Government's criterion of consideration has been offering the project to the lowest bidder. In fact, this will mean more losses than gains. In order to complete for the contract at a low price, the contractor will always reduce the cost by deploying the least number of workers, without bothering about the project being procrastinated — I believe we can always see that in some sites with public works going on, the number of workers working is limited, but the public are longing bitterly to enjoy the facilities — neither have there been consideration that the government departments concerned can in fact cause part of the administrative costs to be saved by speeding up the works.

It has always been the Government's explanation that political arguments has been the first and foremost reason and it then passes the buck to the Legislative Council. However, is it really true? The answer is a negative one. Let us look at the figures. In 2004-2005, the Government had submitted 50 projects for approval by the Public Works Subcommittee, but we only rejected one project. In 2005-2006, the Government had submitted 60 projects for our approval, and the Legislative Council only asked for resubmission of three projects. In the end, all projects were endorsed. We cannot see any hurdles being put in the Government's way. Nevertheless, let us look at the number of projects submitted to the Legislative Council by the Government. There were 112 projects in 1994-1995, 93 projects in 1999-2000, but only 60 projects last year. Over the past two years, the Government originally said that it would submit 76 projects each year, but the ultimate number has been reduced to merely 50 and 60 respectively.

However, time and again, we heard of the grievances from the District Councils and local people, criticizing the Government of delaying the construction of community facilities. They also expressed their strong dissatisfaction about this. A thorough overhaul is really necessary. Therefore, I strongly request the Administration to increase the number of projects launched and not to reserve too much room. Besides, when inviting tenders for the projects, the Government must encourage the contractors to speed up the projects on the premise that quality must be guaranteed.

President, finally, I would like to talk about the West Kowloon project. As we all know, this has been discussed for a long time. The public also hope

that the Government can expedite the preparation work and commence the project as soon as possible. It is because the time needed will at least be eight to 10 years. We hope that the Government will delay no more. While consultation is going on, it should also consider enhancing the efficiency (*the buzzer sounded*).....

**PRESIDENT** (in Cantonese): Mrs Selina CHOW, you speaking time is up.

**MRS SELINA CHOW** (in Cantonese): Thank you, President.

**MR TAM YIU-CHUNG** (in Cantonese): President, the Financial Secretary mentioned that he hoped that the Budget this year would "leave wealth with the community where affordable". From the public opinions towards the Budget, the Budget does respond to public aspirations in respect of "leaving wealth with the community". However, in respect of "where affordable", this should be within quotations. In other words, there are still a lot of reserves. In regard to how to promote further development of the Hong Kong society and economy, the Budget should conduct more studies and have more coverage on long-term planning and investment.

As an important administrative tool for the Government, the Budget should, through various financial means, implement the Government's objectives of administration that would improve people's livelihood and promote a harmonious society. Therefore, apart from one-off measures of leaving wealth with the community, the Budget should also strengthen long-term financial involvement in partnership within the community, transport infrastructure and so on, with a view to promoting employment among the grass-roots sector and improving people's livelihood. I will talk about the views of the Democratic Alliance for the Betterment and Progress of Hong Kong (DAB) in regard to the following four areas.

First of all, the needs of the ageing population are to be looked at squarely. In the Budget this year, the Government advocates the need to strengthen support for elderly welfare. We welcome this kind of responsible attitude from the Government, but would hope that it could be dovetailed by specific and concrete

measures. During the three recent years, there is no consistent growth of government resources in residential and community care. I have always been asked by the elderly or their family members for assistance as they hope that residential care places for the elderly could be arranged earlier. Facing these demands, I cannot do anything even though I really want to help. With the population ageing rapidly, the Government has to change in its investment in elderly services, whether in scale or in means.

On residential care services for the elderly, the Comprehensive Social Security Assistance (CSSA) is presently carrying the mode of assistance as "subsidized vouchers". If we take a closer look at the existing private homes for the elderly, we will notice every one of them is hanging banners on which "applying for CSSA for you" is clearly printed to attract clients. An elderly person can choose a home for the elderly and then rely on the CSSA to pay for the expenses on residential care. This is already a realization of the concept of "money following the persons". However, judging from the difference in service quality of private homes for the elderly, the concept of "money following the persons" may not be able to enhance the entire service level of the sector, and the major deciding factor is the amount of money. Compared with the subsidy that the elderly staying in the private homes for the elderly can obtain through CSSA, the service cost of each place in government subsidized residential care homes for the elderly is 50% higher. Since prices determine the quality of service of private homes for the elderly, it is basically difficult for them to raise the level of service.

Presently, there are altogether 72 000 residential care places for the elderly, but out of them, only 29% are government subsidized, 5% belong to non-profit making elderly homes, while the rest are privately operated which account for 47 000 places. Through the enhanced bought place scheme under its policy of subsidy, the Government can only guarantee that 6 200 odd places can have better quality. In fact, quite an amount of public money has already been flowed into these private homes for the elderly in the form of CSSA. Therefore, the Government should map out a comprehensive way of subsidy as soon as possible, and through this way, improve the regulation on quality of private homes for the elderly and enhance the required standard of private homes for the elderly. The Government should also adopt corresponding financial means to encourage private residential care homes to switch to non-profit making operation, so as to upgrade the overall quality of elderly services.

The trend of an ageing population is accelerating. Hence, when introducing some public services, the Government has to consider from the users' angle so as to avoid any adverse effect. Take the example of the telephone booking service implemented in general out-patient clinics since October last year. As the telephone system was too complicated, some elderly persons were unable to receive treatment even when they are ill. Recently, the Hospital Authority has made some improvements to the system, but it is still causing a lot of perplexity to the elderly. In order to solve the problem, out-patient places need to be increased, a queuing system should be in place, and there should be special staff receiving advance booking telephone calls. As a matter of fact, in the course of improvement, I sometimes do not understand how the people in the executive departments tackle questions, as some new government policies would always bring more problems. Therefore, when formulating the policies, the Secretary may need to have more involvement in the substantial execution. In this connection, there may be a need to have additional posts of Deputy Secretary, Assistant Secretary and so on.

Besides, in this Budget, the Government has unprecedentedly granted an extra one month of CSSA and Social Security Allowance. The DAB hopes that such allowances can be given out as soon as possible. Moreover, the Government should lift the restriction of departure for Old Age Allowance recipients, so that the elderly in need can feel at ease to choose to live out their lives in retirement in the Mainland.

Next, it is on boosting the morale of civil servants. In regard to the policy on civil servants, the Budget this year says that certain positions would be slightly increased. In recent years, the Government has been vigorously reducing the manpower and this has created tremendous pressure on the front-line staff, especially in professional grades. Besides, in order to save resources, the Government has outsourced not a few jobs. As reflected, some law enforcement work, such as approving the construction plans according to legal requirements, was also contracted out to private organizations. People are worried that such situations will cause unfairness in law enforcement, and will even lower the supervisory standard of the Government. I therefore hope that the Government can carry out its policies discreetly.

Civil servants form the cornerstone of the Government, and they had their salaries cut twice in order to tide over the difficult times with the Government. At present, the Hong Kong economy is recovering and the government budget is

in surplus again. Therefore, the Government should adjust the salary of civil servants according to the established mechanism in order to boost their morale and to carry out the responsibility as a good employer. In the Civil Service pay level review which is underway, the Government should fully consult the staff concerned and carry out the policy carefully, with a view to maintaining the morale of the Civil Service.

To the non-civil service contract staff, the Government should treasure their working experience, ability, performance and contributions over the years. Recently, the Government confirmed that among 16 000 odd positions, 4 000 positions should be taken up by civil servants, and there would be open recruitment exercises annually from this year onwards. We urged the Government, in the course of recruitment, to consider giving priority to the incumbent non-civil service contract staff as far as possible.

Presently, not a few government services have been outsourced. However, since there is not sufficient supervision on the service contractors, some unscrupulous employers bid the service with very low price and then suppress the wages of employees in order to reap more profits. The DAB hopes that the Government, when vetting the service contracts, can add weight to "the ability to complete the contract". It should remove all underpriced bids, improve the remunerations of employees, and should particularly have to solve the serious problem of contractors reducing employees' wages according to the information on pay levels of various trades issued by the Census and Statistics Department.

Thirdly, promotion of harmony within community. The Government is financially very sound this year. Hereby, the DAB asks the Government again to vigorously strengthen the leisure, medical facilities and community supporting services in areas like Tin Shui Wai and Tung Chung.

Tin Shui Wai is a community comprising grassroots in the main. In recent years, its population has drastically risen to over 280 000. Within four years, eight housing estates have been built in Tin Shui Wai north. However, the community services and facilities can far from able to cope with the escalating population. In this area, even some basic community facilities like community hall, soccer pitch and sitting-out area are lacking. This community has fought for a Tin Shui Wai hospital for over 10 years, but a decision is yet to be made. In Tin Shui Wai north, the proportions of newly arrived families, low income

families and CSSA recipients all exceed the related average figures in Hong Kong. With the vast clot of problems like family income, adaptation to society and children development, the pressure of the residents is especially heavy.

I am also a member of the Commission on Poverty which is chaired by the Financial Secretary. Although it has attached much importance to the situation in Tin Shui Wai, in the Budget this year, whether in areas of health and welfare, home affairs or labour, it is obvious that the Government does not make a corresponding inclination towards financial assistance. We hope that the Government can, as early as possible, increase resources on community services to new towns like Tin Shui Wai and Tung Chung, provide them with various recreation and sports facilities, such as sitting-out areas and community halls, with a view to promoting harmony within community.

In regard to substantial welfare measures in the community, the Budget this year proposes a pilot Transport Support Scheme for residents of remote areas. This measure has been a response to some suggestions put forward by the DAB earlier, and is thus welcomed by us. However, we urge the Government to further streamline the application procedures. Otherwise, the number of people benefited will be minuscule while the scheme will be meaningless.

Finally, it is improvement to transportation and promotion of mobility within community. In the future, there will have a number of major cross-border strategic roads being commissioned in New Territories West. However, there may not be co-ordinating transport facilities in Hong Kong to tie in with that in time. With the commissioning of the Shenzhen-Hong Kong Western Corridor, the traffic flow will be more than 10 000 vehicles per day next year, and will increase to more than 20 000 vehicles per day in 2009. Nevertheless, the improvement work of Tuen Mun Highway could only commence at the end of next year, and could only be completed in 2011. The construction of the eastern extension of Route 3, which is originally designed to relieve the congested traffic, has yet to be decided. By then, if there is a great number of container trucks and Disneyland-bound cross-border coaches rushing towards the Tuen Mun Highway while the Highway cannot be broadened in time, I am afraid that mega traffic jam will be inevitable.

On the other hand, the construction of the Hong Kong-Zhuhai-Macao Bridge will commence very soon. However, the construction of local transport

links is still in a preparatory stage and will not be commissioned till 2011 or afterwards. The gap in time will create multiple bottlenecks territory-wide, thus affecting the further development of economy in the future.

Hence, the Government should buy back some transport facilities which have not been fully utilized while there is fiscal surplus. For instance, it can buy back the exclusive franchise of operating Route 3 and Western Harbour Crossing, in order to lower the tunnel toll, adjust the traffic flow and reduce traffic congestions. If the Government is still indecisive, traffic congestion will be aggravated in Tuen Mun Highway when the Western Corridor is commissioned in the second half of this year.

The budget for Public Works Programme is \$29 billion this year. When the Government is financially robust, it should increase investment in infrastructural projects. On one hand, this can co-ordinate the infrastructural facilities in good time, and on the other, this can also create more job opportunities. The other social benefit of increasing transport facilities is to promote mobility within the locality and facilitate employment of the grass-roots level.

These are my remarks. Thank you, President.

**DR FERNANDO CHEUNG** (in Cantonese): President, lately, I have seen a number of TV drama series have employed "prosperity" as their title, seeming to me that Hong Kong has entered an era of prosperity. Following the rise of China, Hong Kong also recovered from the economic doldrums. While the projected surplus will be over \$50 billion this year, the actual amount of surplus may be greater when closing the books. In the coming five years, we can see that a surplus of over \$10 billion will be expected every year. As a matter of fact, with the accumulated surplus and given the back-up provided by the prospering China, we can say that our future economy will not be too bad. The atmosphere is in fact very good. Though the grassroots may not be benefited, there has been a general improvement both in terms of our budget and the atmosphere in the community as a whole. In theory, we should all applaud this Budget, as, apart from those who have no property, who do not pay tax and who receive no assistance, people from all walks of lives can be benefited. This Budget appears to be the most beneficial one for the largest number of people (one which each person can at least be given one candy) since the reunification.

Nevertheless, President, when examining a budget, we must take into account whether its revenue is capable of supporting the various public expenditures, and whether such expenditures can address the needs of the present community. In addition, we must ensure (and so as I hope) that each person in the community can share and be benefited from the prosperity in such an era. How society faces the disadvantaged groups reflects its social culture. We must find out if the difficulties and needs faced by the disadvantaged groups today are being taken care of in this Budget.

Let us first look at people with disabilities. While chanting the slogans of "A Society for All" and "Barrier Free Access", is the Government capable of achieving this goal in the Budget, thus allowing people with disabilities to integrate into the community? The issue of transport, for example, is an obvious one. As people with disabilities have mobility problems in going around, it is difficult for them to use public transport. As a matter of fact, we can see that they are still denied direct access to public transportation. When discussing the merger of the two railways, I have pointed out the deficiency in the provision of elevators leading to the platforms in some MTR stations and made several requests. If people with disabilities are denied access to public transport, what other services are available? They may of course use the rehabilitation buses, but is it impossible for them to provide every one of these people with such service? Of course not, but how bad is the situation? How serious is the discrepancy between the supply and demand?

Last year, at a special meeting of the Finance Committee, I raised the question to the Director of Transport. According to his reply, no person with disabilities has been denied such service. I was very confused then. This year, when the same question was raised by me again, the reply given was, in 2005, the number of cases where people were denied rehabus service amounted to a total of 6 657, while the number in 2006 was 8 173. The rise is significant. I can hardly understand why, given such a colossal financial surplus, the Government still refuses to provide more rehabuses, thus improving the service for people with disabilities. In fact, the reason they need the service is generally due to their inaccessibility to public transport. Why is it the case? Among the present fleet of rehabuses, the Government admitted that seven of them were more than 10 years old, using the old fashioned single-armed design. In the Government's words, they are "rehabuses due for immediate replacement".

My daughter occasionally travels in these rehabuses, too. President, although we might not be able to book the bus most of the time, I would travel with her if the buses were available and did notice that some of them were quite

worn. As the sum involved for replacement would only be a few tens of million dollars, I really do not understand why they were not included in the Budget. While people in the community are advocating "A Society for All" and a design manual is being prepared to improve free access, but the discussion that started in 2002 has not completed and no progress has yet been made in the transport arrangement.

As regard the elderly, Mr TAM Yiu-chung talked a lot just now. According to Dr York CHOW, our Secretary, the most recent slogan is "Spending Old Age at Home". For the elderly, spending their old age at home is something good as they can enjoy an independent life. However, as many of them have to be hospitalized due to ill health, they may need a considerable period of time to recover after being discharged or may even sustain a fall by accident, so how can they spend their old age at home? At present, there is an overwhelming demand for the provision of elderly home care services which involve bathing and personal care. In some districts, basically new applications for such service are no longer accepted. Why has the Government not been possible to provide additional resources? The Government may say that they can choose to live in Homes for the elderly. I believe that we have all got tired of hearing about this. As I have mentioned on every occasion when this subject was brought up, the waiting time for an elderly to be admitted in a subvented institution was at least three years, and it would take much longer for a health care home. As a matter of fact, as shown by our information, one fourth of the elderly were stilling waiting for being admitted even at the time when they die. What kind of an arrangement is this? Since they can not be given accommodation in a public health care home, they have to resort to the private ones. However, the quality of private homes varies a lot, and yet the Government does not have any plan to make any improvement. Is there any arrangement in this Budget for addressing the elderly problem? Has it worked according to its slogan of "Spending Old Age at Home"?

As we can see, the elderly do not even have a chance to access to general out-patient service. In replying to a question earlier on, the answer given by the Chief Executive really surprised us. He said that the elderly enjoyed queuing up for it would be an occasion for them to meet their friends for tea. I believed that he would have understood by now that it was not as simple as that. Currently, the Hospital Authority (HA) simply cancels the "chips allotment system" by switching to the telephone appointment booking system. Lately, a number of reports showed that many elderly people were very dissatisfied with the new arrangement. Has our Budget addressed the needs in this regard? I really cannot see any, President.

As regards medical service, we see that there is still a long queue waiting for specialist out-patient service. Beside, as the resource injected in psychiatric service is diminishing, the HA is still facing a very big plight. In general, the waiting time for a psychiatric patient to receive treatment is one year. For the elderly, it will be much longer. If they seek help from the private sector, of course it poses no problem for those who can afford, but what about those who do not have the means? Even if the patient gets the chance of receiving treatment, the follow-up care and manpower provided by the cluster are out of proportion such that they cannot meet the service demands. Has the Government taken any follow-up action? Is it necessary to inject more resources and conduct a review on these services? When does it plan to reduce the waiting time for hospitalization of people with disabilities and the elderly? How far does such waiting time can be reduced and when demand in this regard can be fully met? We are not asking the Financial Secretary to solve the waiting problem in one go, but he should at least have plans. Yet, there are not even any plans at present.

As for the issue of domestic violence, we are talking about reaching "zero tolerance". However, by saying so, the Government has continued to refuse subsidizing the Rainlily. It is an organization offering a professional service and has designed a one-stop service for victims of sexual violence for it has accumulated considerable experiences in this regard. However, the Government has taken a detour by withdrawing this service. Apart from work on sex abuse issues, cases of domestic violence alone have given our social workers a very heavy burden. Integrated Family Service Centres in general receive more than 90 cases each year, and the Family and Child Protective Services Units, designed to tackle serious cases, receive more than 50. These cases are fatal in nature with domestic violence already taken place. How then according to the proportions, can a single social worker deal with 50 cases? It is indeed impossible. Compared with foreign countries, the number of similar cases is less than half of ours. What have we done in this regard? If the Government really wants to address the needs of the disadvantaged groups, in what ways is it willing to exert efforts and endeavour to review the discrepancy between the present supply and demand, so as to formulate a basic plan?

In today's Budget, as response to the community, it is indicated that the various expenditures, tax concessions and exemptions are targeted at benefiting the middle class and the well-off. The waiver involved is as high as \$18.8 billion. If this amount were used to help the needy, by adding up the \$300 million for Child Development Fund, \$300 million for travel subsidy, and some

\$200 million for social service, the amount needed would be a mere \$2.4 billion. Of course, there is also \$1.5 billion for CSSA. Honestly speaking, the ratio in expenditure is 8:1. How much can the Budget help to resolve the problem of disparity between the rich and the poor? About the travel subsidy scheme, President, though the Financial Secretary undertook to implement the scheme last year, it has yet to be launched. Besides, many restrictions are set down in the scheme. It was after Members expressed different views at meetings in this Council then the scheme was only being gradually improved.

As to the Child Development Fund, according to the views we heard just now, we found out that it was switching from asset enhancement to saving, making the relationship between them increasingly flimsy. In oversea countries, the original intention of the concept was to build up assets for the poor, with a view to pulling them out of poverty. Nevertheless, I am afraid that the Child Development Fund would tend to become more and more like an ordinary Fund, ultimately drifting off its original course totally.

President, a lot of candies seemed to have handed out by this Budget, but in terms of social welfare, I found that the Budget this year was worse than the previous one. As a matter of fact, if we compare the Budget this year with that of the last year, we would see that the expenditure in social welfare this year is less. How should the Government address the needs of the disadvantaged groups in an era of prosperity with colossal surpluses? I have yet to talk about the entire problem of disparity between the rich and the poor. Our society has become a downstream one — the middle class is moving downward. From the information provided by the Government, it is clear that the number of families earning \$15,000 to \$50,000 per month has dropped most significantly, from 51.7% in 1996 to 45.6%. At the same time, the class with the largest expansion was those families earning \$4,000 to \$8,999, the figure has raised from 11.9% to 17.1% last year. As such, has this Budget touched on these structural problems? Can it resolve the problem of disparity between the rich and the poor?

Lastly, I want to mention that the Financial Secretary is in fact the Chairman of the Commission on Poverty (CoP). President, I am very worried that the CoP might be disbanded in June this year. Are we putting an end to the work of the CoP? Has the CoP achieved its objectives? From which part of this Budget can we tell that the Government has exerted strenuous efforts in helping the poor? Is there any plan or undertaking on the part of the

Government? I can see nothing of this kind, President. From the standpoint of the disadvantaged groups, I find this Budget hardly acceptable. I hope the Government can show commitment to deal with the problem of poverty in the next Budget.

Thank you, President.

**MR VINCENT FANG** (in Cantonese): Madam President, I believe no one will turn down a Budget which hands out \$20 billion worth of goodies, considering particularly that the receivers are mainly Comprehensive Social Security Assistance (CSSA) recipients who are desperately in need of the care of society, the elderly receiving Old Age Allowance and the middle class, said to be under the greatest pressure. The Financial Secretary has thus fully responded in this Budget to the strong aspiration of "returning wealth to the people" in the community.

However, these concessions — including the granting of one additional month of payment of CSSA and Old Age Allowance and rebating a maximum of \$15,000 salaries tax and two quarters of rates — are largely one-off. It is true that these concessions will more or less stimulate consumer sentiment and thus benefit the retail industry, but after this round of applause, what next? By what virtue can we achieve an annual average of 4.5% economic growth in the coming four years as forecast by the Financial Secretary? Can this be achieved by, as frequently stressed by the Government, "land sale and stamp duty that have already been excessively relied on"?

Since the reunification, Hong Kong has weathered the Asian financial turmoil, the economic restructuring and the SARS outbreak. Under such stormy situations, it is understandable that the Government did not execute any medium-to-long term development strategy. Now, however, with the persistently robust economy of Hong Kong, yielding over \$50 billion in surplus for the Government this year and the forecast of an annual surplus likely to be maintaining at \$20 billion to \$40 billion for the coming four years, under such a promising medium range economic environment, should the Financial Secretary not consider making full use of the enormous surplus in his hands to implement some medium to long-term plans, so that the economy of Hong Kong can develop sustainably in the long run?

The first thing, I believe, the Government should introduce expeditiously is health care financing, which superficially does not appear to be an economic measure; once implemented, however, it will actually affect considerably the public finance, the private health care sector, the insurance industry and the income of the public. The Financial Secretary has mentioned that the proposal of providing tax concession for premiums paid to private medical insurance schemes will also be examined in the consultation. In addition, the public have to make contributions, which will inevitably have an impact on public finance.

Hence, if health care financing is to be implemented, it should be done when public finance is stable, the economy fares well, corporate earnings stable, unemployment rate low and salaries resuming the rising track. Repercussions incurred in society will thus be the smallest. Is the present time the most ideal for doing so? I hope the Government can truly prepare for rainy days by initiating expeditiously a public consultation on as well as implementation of health care financing in order not to make use of future health care cost as an excuse again to levy new taxes.

Secondly, I hold that the Government should make use of the favourable economic environment to push ahead economic restructuring in Hong Kong. At the same time, I hope the Financial Secretary can establish a working group to assist small and medium enterprises (SMEs) affected by the restructuring or the government policies to restructure themselves, and strengthen the competitiveness of SMEs catering the mainland market. With respect to the food industry which has frequently been infested with food safety problems recently, the Government should set up a Food Industry Contingency Fund.

At present, more than 98% of the enterprises in Hong Kong are SMEs engaging in whatever sector one can imagine. They are the vitality of the Hong Kong economy and many of them are doing businesses relating to a market of domestic demand. Unfortunately, the Government has not implemented any policy to assist their development; on the contrary, their scope for business has been further strangled by the newly implemented policies in recent years.

Now the Government says that Hong Kong has to flourish as an international financial centre, develop knowledge-based economy, and propel the trade, logistics and tourism industries. However, in the course of development, the pig and chicken rearing industries, as well as street markets and bazaars on the street which do not quite match the image of a metropolitan city, will be

displaced. Although they will be granted *ex gratia* payment by the Government and be relocated to multi-storey market complexes, some business operators providing supporting services are not on the list of compensation. Some pitch hawkers in Tai Yuen Street, Wan Chai have related to me that after moving into these multi-storey market complexes, there is simply not enough business.

The Government intends to implement central slaughtering for the reason of public hygiene. Despite objection from the entire trade, which involved over 10 000 employees, the Government remains adamant to go its own way. According to the present proposal, each site will only be levied an annual rent of \$1 and processing procedures can be carried out. By then, this slaughtering plant will become the sole supplier providing live chicken products in Hong Kong. By then, how many SMEs catering chilled poultry and food products will be put out of business as a result? The successful tenderer could monopolize the market without the need to pay rent, while the wholesalers and retailers will be displaced because the Government does not allow live chicken to be imported to Hong Kong and thus oozing them out of business.

To support the development of the stock market, the Government has securitized the shopping arcades under the Housing Department through the initial public offering of The Link REIT. As a result, many small shop owners, who have hitherto been serving the housing estates, could not continue their business. When we go shopping, we will, of course, choose high class shopping malls in Central or Admiralty, because of the attractiveness of their products and cosy environments. Hong Kong cannot, however, offer just one choice. Society must have businesses at different levels and of different genres in order to service different echelons of society. If we brush aside these enterprises and let them be "kicked" out of the playing field, they will become the burdens of society instead of the economic contributors, and the development of society will not be a balanced one.

The industry supports the drawing up of a Food Safety Bill to extend regulatory control to all imported food items by phases, but the majority of the food items on sale in Hong Kong are not produced or processed by the sellers. When doubtful food items are recalled and banned, these SMEs will suffer losses or even have to suspend their business. When these business operators encounter difficulties because of the impact of the law, is the Government duty-bound to assist the trade to straddle these difficulties?

Although the Government responded that it would not set up a Food Industry Contingency Fund to subsidize individual trade to overcome short-term difficulties in business, I wish to emphasize that the food trade is a major one affecting the daily lives of 7 million people in Hong Kong, and its employees, roughly speaking, reach a few hundred thousands, which is many times more than the 180 000 employees of the financial sector. At present, the Government has nevertheless taken measures to assist SMEs in boosting their productivity and foreign exchange yielding through their exports, and it also provides assistance and fuel subsidies to the fishery trade during the fishing moratorium. Moreover, the Business Facilitation Advisory Committee, led by the Financial Secretary, is also examining the feasibility of streamlining licence issuance and regulatory procedures. However, the Government has not been concerned with helping enterprises affected by government policies or those that needed restructuring. The proposal from the food industry concerned only seeks to call on the Government to allocate, at this time of a robust financial position, some funds as the seed capital, while the trade itself will also contribute a share. By so doing, the SMEs will be able to continue to make contributions to the economy of Hong Kong.

Thirdly, it is on environmental protection. I hope the Government can provide more incentives to attract recycle industries overseas to set up their plants in Hong Kong, instead of introducing a punitive plastic bag tax, or other prospective taxes, such as soft drinks bottle tax, battery tax, tire tax, and so on.

Two years ago, the Government indicated that it would finalize the "polluter pays" principle and would therefore implement plastic bag tax. In these past two years, the retail industry has actively called on consumers to use less plastic bags; meanwhile, I have also advocated through several channels within the Legislative Council the best way of minimizing waste production, which is recycling. However, as the recycling industry is not where Hong Kong's strength lies, and that processing procedures often involve substantial investment but low returns, most countries which fare well in this respect have government support. Then, other than the EcoPark, what more can we do? Not only can recycling reduce waste production, but also extend the lifespan of landfills, both of which can save money for the Government. Furthermore, it can bring in high technologies, create job opportunities, and alleviate the tax burden of retail industries for waste production. It is absolutely a measure which can benefit the entire society and enhance the sustainable development of the economy.

Talking about taxation, Madam President, when I read the Budget this year, I am full of a mood quite different from that of last year. Last year, the

Financial Secretary opined that Goods and Services Tax (GST) was the only way to broaden our tax base. This year, despite the fact that he still emphasized the need to broaden the tax base, he has not mentioned GST. Both the industry and I hold that the tax base of Hong Kong is not narrow, because we have a number of indirect taxes.

The Consolidated Account this year is nine times higher than that previously forecast, not because of the addition of new taxes, but because of the reasons cited by the Financial Secretary — the economy has rebounded sharply, the employment rate has hit a record high, both the enterprises and employees have earned more, all of which have boosted government revenues. This has realized the policy objectives of the Financial Secretary, that is, "revitalizing the economy, promoting employment and improving people's livelihood". This is an unchanging economic cycle which has been effective in pushing forward the development of society. Therefore, I sincerely hope that the Government can start working towards the sustainable development of the economy and minimize any measures that would cause menace to the public, and thus achieving social harmony in Hong Kong. I so submit. Thank you, Madam President.

**MR LEE WING-TAT** (in Cantonese): President, first of all, I wish to offer congratulations to the Financial Secretary, but it seems that he is not here. He has been sitting here for a long time and he probably needs a break.

The Budget this year, on the whole, can certainly be regarded as acceptable to the general public. There is, of course, still a lot of room for improvement. I mainly wish to point out a few aspects and I hope, since the Financial Secretary and the two Directors of Bureaux in particular are here, they can heed my views and I will mention something under their portfolios.

Firstly, the Government has been very disciplined and thrifty in spending. At present, our total expenditure accounts for about 17% of the Gross Domestic Product. This is indeed relatively low. If the Government maintains its level of spending at 20% or below, I concur with what Mr LEE Cheuk-yan said just now that we can spend up to that cap. Of course, by "spending" I do not mean using money recklessly, but spending where it is justified, in particular on education, health care or other social services.

President, secondly, I want to talk about public works. This is in fact an issue with many people have talked about. Before I start, I cannot deny that the departments taking charge of public works have made improvement for which I

need to commend them. In particular within this year, I know that they have included into their public works estimates many small works projects as the back up list. I know that some public works projects, small works projects in particular, have been commenced in advance in this financial year. Since the expenditure for many works cannot be appropriated as scheduled, I consider that at present the expenditure for the large works projects are those that would be the hardest to find a solution. Some large works projects may involve \$1 billion while some may involve \$2 billion, and I agree that we cannot abruptly delay a \$5 billion large works project for a year, or to dig out \$5 billion from "the bottom of the drawer" all of a sudden, for we all know that they are impossible. However, I once mentioned to the Secretary in a special meeting of the Finance Committee that if they were really infeasible, we might need to find a new way to address the problem because the problem would stay with us. Why? Because the consultation and environmental impact assessments that large works projects involved will become increasingly complicated. In other words, if things are implemented according to procedures and timetables established in the past, even a greater number of large works projects may not be able to be completed as scheduled in the few years to come. What should be done then? Could they be left undone just because they could not be proceeded with, thereby laying waste the \$29 billion? I wish to make a suggestion — I do not know if the Secretary will consider it — that is, to start such consultation and environmental impact assessments at an even earlier time so that there will be more time for consultation and response in the event of opposing views.

Thirdly, it concerns the under-spent appropriations of other departments. I have raised this question in a special meeting on financial matters. Looking back on this year, there are certainly many departments which have under-spent the appropriations earmarked for them. Members may well know that the budgetary appropriations are meant to be exhausted by the departments because it was never easy to be allocated with the appropriations. Although some departments may be able to provide explanation for the situation, I hold that if they fail to exhaust all the funds budgeted, they will give people the impression that they are just appropriating the funds without exhausting them. For departments which relate more to the people's livelihood such as the Civil Engineering Department, it has under-spent \$200 million out of its appropriation of \$1.2 billion; even the Social Welfare Department (SWD) has under-spent \$1.4 billion out of its appropriation of \$34.2 billion; the Education and Manpower Bureau has under-spent \$1.1 billion out of its appropriation of \$34.2 billion; and the Department of Health (DH) has under-spent \$110 million out of its appropriation of \$3 billion. Of course, I also find it very difficult for the departments or Policy Bureaux to exhaust 100% of their appropriations.

However, here I have to register my thanks to a civil servant, Mr LAI Lin. I recently called him up specially for a talk. In the past when departments and Policy Bureaux wanted to provide new services, they would be subject to the availability of "new money" — that was how the officials taught me when I became a Member of the First Legislative Council. Under the present system, however, the public coffer is largely held by the Directors of Bureaux and their principal Controlling Officers. In other words, the three Directors of Bureaux in front of me and many other Controlling Officers are even vested with greater autonomy.

In this voluminous "phone directory" that we are discussing now — I wonder how many colleagues can finish reading it — there is an account head 000 — not 007, but 000 — which is presented under the portfolio of each and every Controlling Officer, in other words, these several Directors of Bureaux and all Heads of Departments have this account head. In fact, they have great freedom to deploy the appropriations under the account head 000. That is to say, under the system in the past, the small items within that subhead could not be interchanged, but now it is possible to do so with the small items under the account head 000. Sometimes, I cannot figure out why the SWD would under-spend \$1.1 billion. Was it because the SWD has failed to perform certain services or to give out some Comprehensive Social Security Assistance (CSSA) payments? Why would the DH under-spend the appropriations? Even some public works projects spent less than the funds appropriated. Of course, I cannot ask the Directors of Bureaux and Controlling Officers to provide us with an answer immediately, but I reckon that since the Finance Committee and the Treasury Branch have provided Directors of Bureaux and Heads of Departments with such great flexibility, they owe the public an explanation for why appropriations earmarked for people's livelihood are under-spent. We have spent quite some time on debating public works projects, but I do not understand why the SWD would under-spend \$1.4 billion. Dr Fernando CHEUNG and I have been bombarding the SWD for failing to employ more social workers, which had led to the numerous domestic violence incidents.

Of course, I know that there are two ways to spend money, one of which is spending one-off expenditures and the other is spending recurrent expenditures. The issue we need to deal with now is, if the appropriation under a subhead is under-spent, is there any other means through which the money can be spent on other useful purposes without the need to create a new recurrent expenditure under the department? I know the answer to all these. If there is a sudden need for the SWD to additionally employ 10 social workers, it will then incur

recurrent expenditure; but if it is to promote some new education activities or to stage some publicity programmes, such will then be one-off expenditures which will not affect funds for the following year. I can even remember that in the past, departments and bureaux might have new initiatives, which were new projects they wanted to implement, and when they wanted to bid for the money, they could then have the money to spend. Many so-called pilot schemes would incur one-off expenditures involving possibly \$5 million or \$10 million, and departments could give them a trial. The Financial Secretary is not here right now, but I hope the Financial Secretary and the head of the Treasury Branch can enjoin these Controlling Officers, especially the Directors of Bureaux, to supervise their subordinating Heads of Departments and monitor whether there are actually sufficient items, so that by September or October each year they should know whether, out of certain reasons, they will be unable to exhaust a portion of the appropriations; and then they can decide whether or not to make use of the unused portion for those one-off education programmes or pilot schemes.

Certainly, some suggested that as there are under-spent appropriations each year, the unspent appropriations can be injected into a fund for providing comprehensive services for society building, such as offering educational training, or retraining for workers and so on. I hold that the Financial Secretary and the head of the Treasury Branch should by all means spare some thoughts on this problem so as to prevent such cases from being repeated too much.

Fourthly, President, I wish to talk about a shortcoming in this year's Budget — in fact, I have also raised this point in a special meeting of the Finance Committee — that is, there is a group of people, of about 700 000 people or 400 000 households to whom the Budget has given the least attention. We call them the "three-NOs" people because they have no property, no tax to pay and no CSSA. I once asked the Financial Secretary why was this group of people being left out from the benefits of this Budget. His answer was that this group of people had failed to be included in the "radar" network of the Government. I feel that this remark is biased, for society is only seen with two types of people, one, the taxpayers who are caught by the "radar" network, and the other, the CSSA recipients who are also within the government "radar" network. Alright, what would become of those other people now? There are the 400 000 households of people who do not need to pay much tax, but they, despite earning a very low income, prefer to work as security guards or cleaning workers for a very meagre salary. If these people are not repaid by society with the slightest rebate, I hold that it would not be too appropriate.

In fact, I also have doubts over the reasonableness of the Financial Secretary's remark because for the majority of the people working as security guards or cleaning workers, their employers would file tax returns for them. The plain fact is that tax returns have been filed by security guards working in property managed by The Link REIT, or those working in most large-scale private buildings and under briefed-out contracts of the Housing Department (HD), only that they do not need to pay tax. Why are these people being left out of our "radar" network? In fact, they should be included in our "radar" network. Since the CSSA recipients can receive an additional month of payment — I support this proposal and I am not against it — why can we not grant a \$2,000 *ex gratia* payment to these people, in a pattern similar to the CSSA payment, to show encouragement to these low-income earners and their hard work? They are willing to work, but the Government has not shown any concern to them because they are hard to identify. I hope the Financial Secretary can tell in his reply after the holidays how many low-income earners are put under our "radar" network. In fact, there should be some. Just as I have calculated just now, the security guards employed under The Link REIT, the HD and those employed by most large-scale private buildings as well as cleaning workers serving in large Chinese restaurants have filed their tax returns through their employers. Then, why remark that they have not done so?

President, the fifth point concerns problems in the remote districts. I very much agree with what some Members have said, that is, the infrastructural facilities in many remote districts cannot keep up with the times. In Tung Chung, many of the local residents say that they have to take the Airport Express Line to Tsing Yi if they want to go swimming. Hardly anyone could imagine that one has to take public transport to Tsing Yi to swim. The Leisure and Cultural Services Department (LCSD) said it is no big deal because it will arrange for coaches during the summer holidays to take children to swim. However, frankly speaking, how many coaches can the LCSD arrange to take children to swim? In terms of development, this is indeed an unfavourable drop in infrastructure provision.

Moreover, with respect to hospitals in outlying islands, I know that the Secretary already has a plan to build a hospital there. Can the construction of hospitals in new towns such as Tung Chung be expedited? Before the hospital is built — given that the Government is not that poor — can the service of the clinic in Tung Chung be systematically improved? For instance, can it extend its consultation hours? Can more doctors and nurses be deployed to the accident and emergency department during late night hours for patient to consult, so that residents living in remote districts will not feel neglected by the Government?

On one occasion, I received a group of youngsters living in Tung Chung. In fact, they did not have much to ask for. All they wanted was a skateboard playground and they thus sought my help. I followed up the matter with the LCSD. In fact, many youngsters living in remote districts may only be asking for a simple basketball court or skateboard playground so that they can have a place to play after school. Is it that there are no sites available for building these courts? I do not think so. In fact, many departments such as the District Lands Offices have earmarked sites for their uses but they are not putting it into use immediately. I would not suggest allocating the site immediately to the LCSD though, because it does not belong to the LCSD permanently, but we do have vacant sites. On that occasion, I had one meeting with the LCSD, and then it was possible for the Department to locate a site for me within three weeks' time for use as a provisional skateboard playground. Is there a shortage of land? Well, there is land. Alright, is there a shortage of money? If we are talking about constructing a small provisional sports ground, the expenses required is very little. All it takes perhaps is to use wire mesh to contain the site and surface the ground to make it safer, and request the department concerned to temporarily offer the place on loan to the LCSD for a couple of years. Then, youngsters living in remote districts, be it Tin Shui Wai or Tung Chung, would have such sportsgrounds to use. In fact, I hold that there are people in society who are keen to assist the Government in getting district affairs done. I do not think that such channels are lacking, I only feel that sometimes the colossal rules and regulations have caused some problems which originally require minimal efforts to solve to turn into problems that have to put in a lot of efforts to solve.

President, lastly, I wish to talk about conserving the environment as there is rising public concern over this issue. Unfortunately, however, only \$33 million was expended on conserving antiquities and monuments in 2005 and there is little increase in this year's appropriation in this respect. I hold that if the overall notions of the community towards protecting historical relics and conservation have changed and regard for this issue has heightened, then the Government and the Financial Secretary should increase the appropriation in this respect appropriately. Certainly, I know that permanent conservation of antiquities and monuments involves problems of property rights and the sourcing of sufficient resources for conservation in future, but issues as such relate to the major policy, and minor businesses can still be tackled.

I so submit. Thank you, President.

**MR LEUNG YIU-CHUNG** (in Cantonese): President, yesterday, Mr MA Lik, leader of the Democratic Alliance for the Betterment and Progress of Hong Kong

(DAB) described this Budget as the best since the reunification, and as he indicated, the DAB supported the Budget not because they were given "candies" during the Chief Executive election, but because the Budget is truly responsive to the needs of the public. However, President, if only you could go on to the street and take a look at the street banners and boards, you would surely be amazed because it is puzzling to see many political parties could be as smart as to have written on the street boards "succeeded in attaining", as if they could called out a pre-empted price and then succeeded in fetching a good price. In view of such a practice, it is hard to allay the concern of whether or not there has been a political dealing involved.

However, President, regardless of whether or not there has been a political dealing, as long as the Government is opening its safe to give out money, I believe that the "haves" are always better than the "have-nots" and more is always better than less. Moreover, the \$20.4 billion given out by the Government this time benefits not only the high-income earners and the middle class, but also the Comprehensive Social Security Assistance (CSSA) recipients, Disability Allowance recipients and Old Age Allowance recipients, who will be granted an additional month of payment. Many have hailed a hurrah for this. As a matter of fact, the Government has earned many rounds of applause. However, when the high spirit subsides, many people will raise a question: Can this Budget truly meet the needs of the public? Is it truly conducive to the long-term economic development of Hong Kong?

In the debates of the past two days, colleagues of different political parties have asked the Government a similar question, and even the public or current affairs commentators have been raising the same query in the "phone-in" radio programmes.

For instance, judging from the intensity of the money given out this time, some queried why only a meagre \$2.4 billion, out of the \$20.4 billion, is earmarked for the underprivileged, that is, the group of people mentioned just now who are receiving government assistance, while \$18 billion is earmarked for tax rebate, tax abatement and rates abatement — this portion alone has come up to \$18 billion..... it should be \$18.8 billion. President, as compared with the \$2.4 billion, \$18.8 billion is eight times as much as the former. Just think about it and we will realize, to put it colloquially, how teensy-weensy bit of money is devoted to the grassroots. Do we truly feel that we should give the Budget an applause?

Even if \$2.4 billion is granted to the grassroots, can this truly cater for their daily needs? Everyone knows that since the cut on the CSSA by 11.6% in 2003, there has been little progress with the payment. That is to say, even with the granting of an additional month of allowance, the level of allowance still lags far behind from that in 2003. This has not only failed to help the underprivileged or the grassroots, but also created another problem, that is, these "candies recipients" will become the target of criticism and society has thus become polarized.

President, why has society become polarized? Because in this Budget, people in certain echelons — that is, the "three NOs people", as mentioned by many Members just now, namely those with no property, no tax paid and no public assistance — have failed to be allocated any "candies". They claimed that they toil and moil in exchange for very little salary and are not affluent either. Yet, they cannot obtain any rebate from the Government. The CSSA recipients, on the other hand, do not need to work but they can get so much money. The former thus point a finger at these recipients and query why such people are given the "candies", while they themselves are not. The phenomenon of jealousy thus created has cast the impression that the Government has for long produced a situation in which people on the margin will not be taken care of and only those in real needs will be assisted, thereby further making people on the margin feel that the Government does not care about them, neither will the Government take care of, nor pay attention to them. Moreover, in this Budget, we can see that a polarized situation has been created whereby the rich are entitled to tax concession, rebate and exemption, giving the impression that the entire Government seeks only to earn laughter from the rich but turns a deaf ear on to the grassroots' weep.

President, Chief Executive Donald TSANG has said time and again during the small-circle election that the aims and objectives of his administration were to dissolve rather than create class conflicts, and to foster consensus in the community. Unfortunately, however, Financial Secretary Henry TANG's Budget has contributed to an irony because of his "goodwill" in "giving out candies". What is the irony? The irony is that this Budget has induced another type of conflict, that is, with "the worst" being discriminated by, or even becoming adversary to "the slightly worse". This is a different type of conflict as well as a different type of class conflict. Why, then, did the Chief Executive say that he wanted to dissolve class conflicts, while government officials, at the same time, created a different type of class conflict? Are they poles apart and showing inconsistency in words?

Moreover, the Government now says that it will provide transport subsidy to the underprivileged living in remote districts. In the past few days, some Members have asked why were only these four districts covered. Were these people only living in the four districts? Were they not found in other districts? This measure proposed by the authorities will not only create class polarization, but also polarization within the districts. This is also a kind of labeling action. In fact, whatever the Government said it would avoid doing would often be done to the full by the Government: it said it did not wish to create a labelling effect, but now it has come up with it; or that it did not wish to create polarization, but now it has done so.

Moreover, there is one more problem. The Government said that the poverty issue, in particular the issue of poverty at work, has to be tackled strenuously. The Government may well be happy to find that, as indicated by the authorities, the number of households with a monthly income of less than \$4,000, has dropped from the peak of 210 000 to 176 000. President, this sounds like a piece of good news, is it not? The number has dropped by some 30 000 households. However, President, bear in mind that there is still 176 000 households earning less than \$4,000 a month. Meanwhile, what is more is that, as compared with the 90 000 households with a monthly income of less than \$4,000 in 1966, the number has now doubled. With the economy flourishing and developing, who would expect that the situation could have become worse than before? How should this be explained? How could the problem be solved?

Furthermore, other than discussing the major figures, let us come back to the number of three-people households with a monthly income of less than \$4,000, it has risen from 8 000 households in the third quarter of 2006 to 10 000 households, and the number of four-people households has also climbed from 4 400 households to 5 200 households. That is to say, as mentioned just now, while the economy is flourishing and developing, the conditions of our poor have not improved much.

If Chief Executive Donald TSANG truly wants to dissolve class conflicts and foster consensus, the Government needs to formulate a long term anti-poverty policy, such as setting a poverty line, re-determine the level of CSSA, dealing squarely with the working poverty problem, and addressing the inter-generational poverty issue.

Although Financial Secretary Henry TANG has mentioned in this year's Budget how to alleviate poverty, for instance, how to alleviate poverty at work, I

cannot help to feel that the entire Budget this year ultimately leaves an impression that — let me describe it this way — "enough to create polarization, but insufficient in alleviating poverty". We feel very disappointed about the present situation and earnestly hope that the Government can face the poverty issue in Hong Kong squarely. Yesterday Members pointed out that the Government was unwilling to face the issue concerning the Gini Coefficient. In fact, if the Government wishes to confront this issue, I believe it will have to unveil its heart and tell everybody that the problem of poverty does exist. However, it does not wish to aggravate the problem, and has thus kept dodging it. Even looking back on the policy addresses and Budgets in the past few years, we still hold that the Government really has not made much effort in solving this problem. In fact, the Government is aware that with the ageing population in Hong Kong and competition from the mainland cities, we have already been marginalized.

Unfortunately, the Financial Secretary lacks the courage and insight of a reformer and pioneer to hammer out a long-term economic blueprint which bears hope and prospect, with which the persisting problem of polarization in society could be addressed. I hold that this has made us very upset and disappointed.

Moreover, Financial Secretary Henry TANG did not get his other tasks sufficiently done with either, such as, as pointed out by Members just now, with problems concerning people's livelihood including health care problems. With respect to health care problems, Members may well know that an ageing population will definitely add to the immense pressure on health care problems. Regrettably, in this Budget, the health care estimates see only an increase of 2.4% as compared with last year, as earmarked for the reconstruction of a number of hospitals and enhancement of the obstetric and gynaecology services. However, President, this cannot actually solve the present problems with the health care services.

Because we know that the gravest problem with the present health care services is that, taking specialty cases as an example, the waiting time at present for consultation of a second priority case takes 4.5 weeks. Okay, let us not talk about specialty cases and use an ordinary case as illustration, the average follow-up period for such a case takes 24 weeks. Let us just think about this and it is not hard to understand why small illnesses will often turn into serious illnesses or may even become fatal. This is our gravest concern and such cases may occur easily with the present standard of service.

As a matter of fact, President, I received many complaints recently. The elderly vented their grievances to me saying that the antihypertensive drugs they

had been taking was quite effective, but now the doctor told them that he could only prescribe general drugs to them, and if they preferred to have the special drug they had been taking, they would have to buy it themselves from outside. However, the elderly disclosed to me that after taking these general drugs, they experienced oedema. What can be done? The drugs may have cured the patients' hypertension, but they induced other conditions. Are these the only facilities and services that the present health care system can offer? This is really worrying.

In addition, as for the telephone booking service which many Members have mentioned, it is the brainchild of the Chief Executive Donald TSANG. Heart-stricken by the scene of elderly queuing up very early in the morning to see a doctor, he hit upon a solution to improve this situation, and with a meticulous design offered by the staff of the Hospital Authority, a telephone booking system emerged. However, President, I am not sure if you understand how this telephone booking system surprisingly works. The system only allows patients to call in at or after 3 pm every day to make advance medical appointments for the following day. If you fall ill at 5 pm today and want to make an appointment through the telephone booking system, I am afraid you will only be able to see a doctor on the day after next. Why? Because the quotas are full and there is no way you can see a doctor. I only realize now that sick people seeking consultation can still wait, and then at the same time, one needs to pick the appropriate time to fall ill. You should better fall ill before 3 pm so that you can make an appointment at 3 pm sharp and then you may have a chance to see the doctor on the following day; otherwise, I am sorry, you will have to wait. Indeed, I have really found it very strange to see that interesting enough, the health care system in Hong Kong has set a limit in the time of the day for people to fall ill.

Therefore, we face that these are exactly the problems we have to address. Unfortunately, as I have pointed out just now, we only see a 2.4% increase in the appropriation earmarked by the Government for the health care portfolio, and that is how the Government considers its job done and the problem solved. Can we consider this acceptable?

Other than problems concerning health care and people's livelihood, there is the problem concerning non-civil service contracts. Mr LEE Cheuk-yan has mentioned just now, which I have repeatedly stated, that there are problems with the 15 000 non-civil service contract and temporary staff. I very much hope that the Government can truly and earnestly consider this problem and avoid

letting people to have the impression that the Government brushes them aside after they have done their part — as if the Government can ask them to come and go freely because they are only employed on contract or temporary basis, with completely no regard for the employment relationship.

I have mentioned this to Secretary Denise YUE, pointing out that such staff have been employed for not a short period — very often for more than a few years. A post filled for a number of years is more than necessary, not to mention that the Government has spent a lot of resources on training the post holders. Now, however, the Government simply says that they are to go because they are no longer needed. There are two main reasons for asking them to go, one of which is that the system has been regularized, so they are no longer needed; the other — which is also what we often criticize — is that the jobs have been briefed out, so they are no longer needed. We all know what briefing out is all about, it means reduction of resources and expenditure. I reckon that this is neither fair nor just. To the staff, this will only create other problems such as unemployment, or their salary will be compressed to a very low level when they try to find another job. This in turn will give rise to the poverty problem.

**MR JASPER TSANG** (in Cantonese): President, I will express the views of the Democratic Alliance for the Betterment and Progress of Hong Kong (DAB) on two specific measures proposed in the Budget. They are the establishment of a Film Development Fund, and the provision of WiFi network facilities in government venues.

First of all, the Film Development Fund. The DAB certainly supports the provision of \$300 million by the Government for establishing a Film Development Fund, for the DAB has also made this proposal before. Certainly, we dare not boast that we have succeeded in attaining the establishment of this Fund, for we have only sought to reflect the demand of the industry and many people have also made this proposal before. It is certainly a good thing to establish this fund, but the question is how this Fund can truly assist the development of the film industry in Hong Kong.

If we look back, we can see that this is not the first time that the Government has made provision for establishing a fund in support of the development of the film industry, just that the past efforts were not very successful. In 1999, the Government allocated \$100 million for setting up a

Film Development Fund, but later, despite that funds were granted from time to time, it turned out that only about half of the Fund was utilized. In 2003, the Government allocated \$50 million for setting up a Film Financing Guarantee Fund to help film companies secure financing but the Fund received only lukewarm response, and since the establishment of this Fund, only 11 films could benefit from it and the total loan guarantee involved was only some \$20 million.

So, how can this Film Development Fund truly help the film industry? We think that in order to tackle the problem at root, we must first identify where the problem lies. First of all, we can see that the greatest difficulty faced by many small and medium-sized film companies in securing financing is that investors and lending institutions lack confidence in participating in film production. We must admit that a well-established system is lacking for film production in Hong Kong, and as investors and lending institutions cannot obtain the information on film production, such as the production costs, the box office, distribution records, and so on, they are unable to approve loans or evaluate their investment and more often than not, the book of accounts is also unclear. We consider that investors and lending institutions can better understand the operation of the film industry and hence become confident in participating in film production only if the Government can assist the film industry to operate in a more systematic manner and set up a risk assessment mechanism suitable for the industry.

President, in 2002, the film industry published the Revitalizing Hong Kong Film Industry Report, proposing the establishment of a Film Commission to act as an intermediary for collecting, compiling and publishing box office records (including records relating to the contract, box office, distribution, and so on), so as to provide more accurate statistics for the reference of investors and lending institutions in approving loans and assessing the risk of investment. I think this proposal should be put into practice seriously.

Another measure that can enhance the understanding and confidence of investors and lending institutions towards the film industry is the setting up of a film copyright assessment system. In the Revitalizing Hong Kong Film Industry Report that I have just mentioned, it is pointed out that a film is a *de facto* commodity of intellectual property right, and that its exchange value is not confined to the final product, namely, the film copy. What is more, the name of the film, the script, and even the looks or styling of the various characters in the movie, are all essential components of the intellectual property right of a film. The film "Internal Affairs" is a case in point, as its script is worth a lot of money.

But given inadequacies in the investment environment in Hong Kong in respect of the protection of intellectual property right and the flow of information, investors and lending institutions do not know much about the intellectual property right of the film industry and they, therefore, cannot see the value-addedness of films.

Film companies in the Hollywood actually started reaping profits from the intellectual property right of films a long time ago. Television programmes, cartoons, videos and electronic games deriving from films have been sold to places all over the world, generating an income which far exceeded the box office revenue. For instance, in 2005, the box office revenue of the film companies was even less than 15% of their total revenue. We are, of course, talking about the Hollywood, and for the other sources of income, the income from family entertainment items accounted for 85% of the total income.

Let us turn to Korea. To attract investment from major enterprises in film production, the Korean Government has implemented since 1997 a system whereby copyright can be used as a collateral for securing financing. The national Korean Motion Picture Promotion Corporation pioneered the securing of financing for films using the copyright of the film as the collateral, and in 1998 alone, a total loan of \$3 billion Korean Won was secured for the industry. Later, major enterprises such as Hyundai, Samsung and Daewoo also made a start by purchasing copyrights of films, then developing other commercial projects derived therefrom.

In this connection, if the Government can assist the local film industry to set up a sound copyright assessment system, in the long term, investors and lending institutions will be aware of the sizable return brought by the intellectual property right of films, and they will then have confidence in making investment of larger and more stable scale.

President, financing difficulties aside, we also have to look at various dovetailing facilities required by the film industry. Let me cite an example. Recently, the industry has been very concerned about Hong Kong being replaced by Thailand as a post-production and film developing centre for Asian films. A decade ago Thailand would only have the post-production work of their films, such as stunts, film editing and sound effects, processed in Hong Kong. Now that the time has changed and Thailand has replaced Hong Kong as a centre of post-production and film developing centre in Asia. Half of the Asian copies of

Hollywood films are now developed in Thailand, while many Hong Kong films also have their post-production work carried out in Thailand.

Why do even local directors turn to Thailand instead of Hong Kong? Some directors opined that advanced and quality post-production hardware as well as talents are lacking in the local industry. Insofar as post-production and developing technologies are concerned, Hong Kong has remained stagnant for two decades, thus lagging far behind other places. Some buyers even rejected and returned the films processed in Hong Kong. Today, only three film developing companies have remained to operate in Hong Kong.

In Thailand, on the contrary, their post-production centre does not only have professional technicians, but it is also equipped with high technology and digitalized facilities. More importantly, the production centre in Thailand provides one-stop post-production services for producers, hence saving them a lot of time. The Thailand Government has also adopted a proactive attitude in promoting post-production of films. It has considerably lowered the tax rate for importing film-making equipment and announced in 2006 a plan of building in Bangkok a mega film studio equipped with film shooting and post-production facilities, modelling on the Universal Studio in the United States.

Members may say that while Thailand has this film studio, Hong Kong also has the Cyberport. We cannot say that the Government has done nothing at all, and we understand that in 2005 the Government purchased, at a cost of over \$4 million, a state of the art film developing machine which has been installed in the Cyberport, just that not many people are aware of this. Why? It is because the Government has upheld the principle that it cannot compete with the market or with the public for profit and so, little publicity has been conducted in this connection. Many members of the industry are not aware of this either. Even the comparatively "productive" Director in Hong Kong, Mr Johnnie TO, said that he had never heard that developing services were provided in the Cyberport.

What is contradictory is that while the Media Centre said on the one hand that it could not compete with the market, it has nevertheless operated on commercial principles on the other by pitching the charges at market rates. Moreover, as this Centre does not provide one-stop services similar to those provided by Thailand as it only provides developing service with no supplementary value-added services, very few film producers have patronized this Centre. It is heard that this Media Centre has an overall utilization rate of

50% only and incurs a loss of \$5 million per annum, which is a waste of high-tech facilities.

In fact, President, high-tech and digitalized post-production of films with emphasis on professional knowledge and technologies is precisely an industry that Hong Kong is in the best position to develop. However, we have obviously lost our edge. Not only Thailand, but even the Mainland has endeavoured to develop post-production of films now. For example, in Pudong at the end of last year, a creative district, by the name of the Zhangjiang Hi-Tech Park started its operation, and it is actually a cluster of enterprises engaging in the production of comics and animation and post-production of films.

Since the Government is committed to supporting the development of the local film industry and has made provisions for setting up this Fund, should it also consider providing other matching measures? For instance, can the Digital Media Centre provide the industry with services at a price slightly lower than the market rate or even provide ancillary value-added services? Can the Government provide the industry with low-interest loans, or make provisions from the \$300 million Film Development Fund for the industry to update their equipment? Can the Government allow the industry make use of vacant factory buildings or the boundary area to set up post-production centres, so as to facilitate the provision of one-stop services?

Moreover, a number of education institutions, such as the Vocational Training Council and the Hong Kong Institute of Vocational Education, have advanced digital equipment capable of producing special effects in films. Can the Government take on a co-ordinating role and encourage co-operation between the industry and education institutions in providing post-production services for films?

As to how the Fund should be used, there has been much discussion in the industry and in various sectors of the community over the past few weeks on, for instance, the criteria or methods for vetting and approving applications, how the formalities can be streamlined, and so on. I am not going to repeat the details here but they warrant serious consideration by the Government.

President, I would like to talk about wireless internet access. It is stated in the Budget that some \$200 million will be set aside over the next two years to provide WiFi networks in government venues in various districts of Hong Kong

for free access by the public. The DAB certainly welcomes this. In fact, the DAB has also made a similar proposal some time ago but still, we will not say that the success of it is to be attributed to our efforts.

The DAB has proposed to develop Hong Kong into a wireless city and specifically, the key strategy should be to increase the penetration rate and encourage investment from the industry. To increase the penetration rate, efforts should be made to develop in the public the habit of using wireless access service, and increases in the number of users will provide sufficient incentives to operators for making investment.

As regards encouraging operators to invest in wireless network, we can start from enhancing business friendliness. At present, operators can certainly provide indoor WiFi hotspots service (such as in shopping malls, coffee shops, and so on) quite smoothly, because it is unnecessary for them to apply for a licence individually and so this can be done very easily, for only commercial considerations are involved. But if we wish to develop into a wireless city, the provision of such service cannot be confined to indoor areas, and we must aim to provide internet access even on the street.

Under the existing laws of Hong Kong, operators are required to obtain a carrier licence in order to provide wireless internet access on unleased Government land, such as public streets. As there has been no encouragement in government policies in this respect, operators who are interested in providing outdoor wireless Internet access can get nowhere to turn to for making enquiries and are, therefore, not provided with the necessary support. Even if wireless network operators can successfully apply for a licence, they still have to overcome problems relating to the installation of network before they can provide their services more extensively on the street in the many districts of the territory. The Government said earlier that it would consider opening up lamp posts, road signs, and so on, on the streets of Hong Kong for operators to install wireless internet access facilities at a nominal fee. This, we very much welcome. But some members of the industry have reflected to us that even if the Government will open up these facilities, operators would have to seek permission from many diversified departments for installation of network given that the facilities are managed by different departments. This is going to be very troublesome, because the Government still does not have a set of standardized, user-friendly policies to streamline the formalities involved.

In this connection, we propose that the Government should establish an inter-departmental working group led by, say, the Office of the Telecommunications Authority, responsible for consolidating the progress of setting up WiFi hotspots at government premises for free access by the public and also co-ordinating with various government departments in respect of the opening of public facilities for operators, with a view to providing one-stop services and streamlining the application procedures. Furthermore, we consider that the popularization of WiFi access can actually be conducive to development in many areas, and it will also help encourage the development of creative industries and information technology. The DAB, therefore fully supports the proposal of setting up a wireless city in Hong Kong.

Thank you, President,

**MR LEUNG KWOK-HUNG** (in Cantonese): President, I think this Budget should find support from many people.

First of all, I wish to express my views on the way that the opposition camp in a parliamentary assembly go about their work, as I am very concerned about how colleagues will vote. As we all know, under a parliamentary system, it is very difficult to make amendments to the Government's budget because in most parliamentary assemblies, such as the British Parliament, the opposition camp is basically the majority party and so, they have no reason not to support themselves, unless there are different opinions within the party and that is a different matter. Or, in the case of the United States, the Congress is controlled by another political party, that is why BUSH does not have sufficient support either in the Senate or the House of Representatives. Unless that is the situation, changes are very difficult to be made. Therefore, with regard to the comment that the opposition camp can make use of their votes to make amendments to the budget, the fact is that we simply do not have this power and even if we do have this power, it would still be very difficult for us to do so.

However, we must understand that our Government was not returned by the people. Our Chief Executive was returned by 800 people in the election of the Chief Executive held on 25 March. His alliance also forms the majority in this Council and this majority exists precisely because this Council is not returned by full and universal suffrage. So, I very much hope that all members of the public will understand that it is actually very difficult for this pan-democratic camp or

political opposition camp or whatever you call it to discharge its duties properly. What I mean is that people who are elected to this Council by some extent of popular mandate or by their sectors cannot work to meet the wish of the people or constituents for whom they represent. This is why we see a very strange phenomenon among our colleagues and that is, while they keep on criticizing the budget, they will still vote in support of it in the end. Why is it so? I think there is a need to bring about changes. This has to be changed right from this year. But since everybody is paying all their attention only to matters relating to the Chief Executive Election, no one has given much thought to this aspect.

The opposition camp should openly state the reasons of their opposition as well as their proposals to the community at large and then discuss them with the Government. But regrettably, our Government does not admit the existence of an opposition camp in politics, and it would call them the "opposition camp" only when hurling abuses at them. The Government used to call them the "democratic camp" and now, it has even hidden the word "democratic". It does not think that there is such a thing called collective bargaining and in other words, it does not think that the political opposition camp has any bargaining power, and it does not respect the fact that under a malformed political system, the significance of this political opposition camp has been considerably undermined by a Legislative Council with small-circle functional constituency elections.

I hope that our colleagues (I also belong to the pan-democratic camp; at present I still belong to it, I do not know if I will continue to be so in the future) can think about this: If this is what we will do every year and when we will only yield to other people's lobbying one by one, that is, when Financial Secretary Henry TANG or other Secretaries of Department come to us and ask what we want — They may say that some allowances will be provided to you or this and that, and when we hope to successfully attain something, we will only care about our own corners, like what Mr Jasper TSANG did when he delivered his speech earlier, just hoping to successfully strive for something in our own corners, or not daring to inform the people honestly of the underlying reasons or motives.

This budget today is precisely a budget of this kind. He has dished out money and has handed out candies. But as Members have said repeatedly, these are just small candies and only very little has genuinely been used to alleviate poverty. On the contrary, more has been done to subsidize the rich people and the middle class by offering tax rebates or by other means. However, this should not be a policy objective of the Government in any case.

Mrs Selina CHOW said earlier that the Financial Secretary was entirely independent in preparing this budget. It might be true. But, if in a place where democracy prevails, the President or the Prime Minister faces expectations from the people, he is certainly obliged to repay those people who had voted for him and helped him come to power according to his election platform. If his financial minister said to him, "Mate, you cannot do this; my professional opinion is that you cannot do this" or "Your governing philosophy is correct but I cannot do it for you", and if this is really the case, the financial minister can only resign, or else he may trigger conflicts or rivalries among political parties, and may even cause the government to step down.

However, our present situation is not like this. Our situation is that this very Chief Executive does not have to be responsible to the 6.9 million people who have no right to vote on him. Mr Donald TSANG had told a lie. He said to Alan LEONG the other day that the people, whether they have money or not and whether they have power or not, will have money and power in future. Is this not a lie? According to the statistics compiled by the Government, between 1995 and 2006, the disparity between the rich and the poor in Hong Kong became more and more serious, whether in terms of absolute numbers — the growth of the lowest income group was far higher than the growth of the highest income group — or the Gini Coefficient which now stands at 0.525. I would like to ask Mr TSANG this: When a government which has caused the wealth gap to become as big as such then said that people who have neither money nor power would have money and power in future, is this not sheer nonsense?

What sort of a place are we now in? Previously, we had no internal debt and so, we created some internal debts for fun. I wonder who was so foolish as to suggest this idea back then. It must be the idea of Antony LEUNG. There is basically no need for us to issue bonds but we purposely issued some for fun. Once we heard of a deficit, we would hasten to do something and show the Mainland. Originally, we had neither internal debts nor external debts, and for the money in our hands, apart from the Exchange Fund which must be used for regulating the currency value of the Hong Kong dollar as provided for in the Basic Law, we should have the liberty to make use of the rest of the money. On this point, I had better not say too much.

Given mistakes in the financial forecast, the surplus has been underestimated by over \$50 billion. How should this \$50 billion be used? Is it necessary to set aside some \$20 billion out of this \$50 billion? This indeed is

open to discussion. What I am now trying to say is that our economy has undergone eight years of disaster under TUNG Chee-hwa's governance and collusion between the Government and businesses, and we must take a rest to catch our breath. Should our Government take out some money and do something before it is too late for the assistance of the lower class and the workers? It is because they are the people who are suffering most badly. If the whole society can move upward except these people, a situation would appear. As Members can see from today's newspaper reports, a headmaster in the Philippines had threatened the Government with a gun, demanding the Government to provide free education or places for students of the kindergarten run by him. The Philippines were very rich in the '50s but why has it come to this sorry state? It is because of collusion between the Government and businesses, and it is because — No, their situation is different from Hong Kong, as there is no coup d'etat in Hong Kong. But we must ask one question: Why has the Government acted against the wish of the people over and over again or gone back on its words over and over again?

I still remember the five pledges made by Mr TSANG. The first pledge is that the third term of the Government of the Hong Kong Special Administrative Region (SAR) is a trans-strata government and that its ultimate policy objective is to balance the interests of all sectors of the community. This spending of some \$20 billion is already an imbalance, for this is inclining towards those people who are already able to make money or those starting to make more and more money. This is very unlikely for people without money to receive relief. Some people said, "The Comprehensive Social Security Assistance (CSSA) payment has already doubled, so what else do you want?" Despite the doubling of the CSSA payment, if we divide the increase of 100% by 12, it is only about 8% each month. Let us not forget the several reductions of the CSSA payment by the Government. On one occasion, the reduction specifically targeted the payment for three-member households, whereas on another occasion it was an across-the-board reduction. We had repeatedly implored the Government to reverse the decision and we queried whether the survey conducted in 1996 could reflect the situation in 2006. However, the Government simply ignored us.

Good heavens! Even Jasper TSANG talks about WiFi now. There was no WiFi back then, was there? There was no innovative digitalized developing technology back then. Society is progressing. When the poor people cannot obtain assistance and support, I would like to ask: In this so-called

knowledge-based society, can they possibly move upward? Everyday we are worried about the middle class moving downward and the emergence of a "M-shaped" society. But what about the many poor people who live in the same housing estate as mine? Will they receive any benefit? I see that some elderly women have to collect discarded cartons on the street. Can we do something so that they do not have to collect cartons anymore? This is the major problem.

In my view, amendments must be made to Articles 107 and 108 because they are "restrictive curses", as they provide that we must keep expenditure within the limits of revenues, avoid deficits, achieve a fiscal balance and adopt the low tax policy. Nevertheless, these are not our national policies. Our national policies are just the opposite, as their principle is to take forward economic development according to internal needs and demands. Why is it that in such a poor country as the Mainland, the economy can be developed according to internal needs and demands but in this affluent society of Hong Kong when the Treasury is flooded with money, the Government nevertheless does not dare to assign some money to do something that can genuinely help the public?

Let me cite a simple example. We have called for the implementation of a "minimum wage" and "maximum working hours" which are expenditure neutral and what is more, these proposals will be applicable to two types of jobs only, namely, security guards and cleaners. No expenditure will be involved and yet, Donald TSANG has refused to implement the proposals and instead, he introduced this Wage Protection Movement. Is this not slanting towards the interests of certain people? We urged Donald TSANG to make long-term plans but he said that the tax base is narrow. What he said is pointless, because a lot of people are actually paying tax in Hong Kong, including the rates, tobacco duty, duty on alcohol, and so on. He said that the tax revenue is small in Hong Kong. But we have suggested that since the rich people in Hong Kong are so wealthy, like the person who had acted against his conscience and supported TUNG Chee-hwa for seven years and who has put on so much weight that he cannot even put on his socks, why do we not introduce a progressive profits tax, and a progressive income tax and capital gains tax, so as to make the rich people pay more tax? Many people may say that there are already changes in those places where these tax systems were implemented. But let us not forget that if these systems had not been implemented in those places before, could they reach the present state of their development? In which of the developed countries have these systems not been implemented? Will my intelligent colleagues please

enlighten me on this point. You said that in those places, tax has been adjusted downward or increased in the face of competition. I will not argue with you over this. But it is precisely because we wish to build a civilized community where the people can share the fruits together that we have to adopt these systems to require those people who have made a lot of money through monopolization in the course of economic development to take out some money and return it to society. This is basically an experience of human civilization.

Our tax regime is on the contrary a regressive one. The richer a person is, the more he is inclined to seek immediate assistance from the Government whenever a problem arises. President, the Government will hand out "a slice of the pie" to them, but what we are given is just some little candies. What is "a slice of the pie"? It means that those who have supported Donald TSANG will all be given a slice of the pie. All the six tycoons have been given a share and they all have been treated equally. Although I do not wish to say this, it is like how Mr James TIEN has been treated as he was immediately appointed as the Chairman of the Hong Kong Tourism Board right after the election was over the day before. I dare not say what this has proven to us. But suspicions are just inevitable under such circumstances. Why did it all happen at the same time? Such behaviour is synonymous with the hereditary system.

The League of Social Democrats has made plenty of proposals to the Financial Secretary. I proposed to the Financial Secretary that the underground drainage should be fixed as soon as possible. Things that can be dealt with immediately should be done without hesitation. This should be dealt with immediately before the emergence of inflation and besides, this can create jobs for workers, and would be a grand and ambitious programme. ROOSEVELT had also done this. We have to put in place a universal retirement protection scheme and this must be done. But why has it not been done? Moreover, it is necessary to deal with medical and health care services, education, and so on. In my view, Hong Kong should at least plough in \$200 billion for these initiatives. \$200 billion is actually not a huge sum of money. If we wish to build a thriving, prosperous society and do something for Hong Kong people, I would like to ask: Why do we not make use of this money? I remember that many officials had asked this (I was not a Member of the Legislative Council then): Where does the money come from? My reply is: "Man, this is not your money" and, I also have to ask: Why should we act against the international practice in respect of revenue and expenditure by hoarding such a huge amount of money?

I think the Government has ignored public opinions in the entire budget. This piece of candy, or the candy given out by Financial Secretary Henry TANG, is a big piece of candy. But please look at what is inside. There is nothing inside. It is just a bag of straws. This bag of straws is inedible. This is all because of the past "shoe-shinning" of "Bow tie", and this is what comes out of all his "shoe-shining". When I took part in the demonstration the other day, he refused to meet with the trade union, neither did he receive our petition. In the end there will be this knife, a knife of "collusion between the Government and businesses" and "small-circle election", and it is swift and merciless. So, I hope that Members will remember to come forth again and take part in the 1 July rally, so as to tell the Government that its collusion with businesses is not going to work anywhere.

**PRESIDENT** (in Cantonese): Mr LEUNG Kwok-hung, you have to clear up those things by yourself.

**MR LEUNG KWOK-HUNG** (in Cantonese): I will clear them up. I have worked as a cleaner before. I will not cause troubles to other people. *(Laughter)*

**MR KWONG CHI-KIN** (in Cantonese): President, I would like to speak on two issues. One is the civil service establishment, and the other is working poverty.

President, given a serious fiscal deficit a few years ago, the Government proposed to compress the civil service establishment to around 160 000. Let us take a look at the figures. In 2000, civil service establishment stood at 198 000 and according to the latest statistics, the number was 161 800 as at March 2007, representing a reduction of over 18%. This rate of reduction is significant as the number has been reduced by almost 20%. But recently, the Government has taken "defrozen" action by resuming the recruitment of civil servants. As we can see from the figures, the civil service establishment will be 162 900 in March 2008.

President, as the Government has always mentioned this figure of 160 000, I asked Secretary Denise YUE at the Special Finance Committee meeting the exact number of civil servants, since the Government has always told us that the

civil service establishment was around 160 000. I asked her whether there was an actual number, and I asked her whether she could tolerate an increase to 165 000 or 166 000. President, I was just probing for some information in raising these questions but unexpectedly, Secretary Denise YUE's reply was great. She said that the target had been achieved. That is, the target which was set a few years ago of compressing the civil service establishment to 160 000 had already been achieved and so, it would not be necessary to mention this figure of 160 000 anymore in future.

President, as a Member representing the labour sector, I certainly very much welcome this comment of the Government. If this cap of 160 000 is removed, according to the Government, civil servants will only be recruited subject to the actual needs of departments and where recruitment is justified. I am not asking her to conduct recruitment in a casual manner, and I would consider it practical for departments to recruit civil servants according to their actual needs. Friends from trade unions have always queried the Government as to how this number of 160 000 was arrived at. This is very difficult to explain, for it is a fiscal target, rather than being worked out by making reference to the number of staff required for civil servants or the government to provide their services.

We very much welcome a reply such as this coming from Secretary Denise YUE who is now in charge of the Civil Service Bureau. However, we found it a bit strange as to why such an important policy was spelt out simply in the Secretary's reply to my question? If possible, I hope that Secretary Denise YUE will discuss this issue in more detail in the Panel on Public Service in future.

President, as there has been quite a lot of news recently, many civil servants may not have read this piece of news, hence they may not have known that this cap of 160 000 so often mentioned by the Government has been abolished, which is a very important piece of news to civil servants. It means that we will no longer be entrapped in this figure of 160 000 in future, and the civil service establishment can be practically reviewed in accordance with the actual needs of the departments in their work and the services provided by the Government. This, I very much welcome. However, I hope that this issue can be further discussed and explored.

President, why were we able to make such a remarkable achievement in reducing the establishment from 200 000 to 160 000 within a few years' time?

In fact, this is somewhat a game of numbers. Some departments have cleverly invented a new category of staff known as "non-civil servant contract" staff, and up till now, I still do not quite understand what "non-civil servant contract" means, because this is simply inexplicable in whatever way.

The Government explained that some major policies are implemented to meet seasonal needs and so, the staff are employed only temporarily or for a certain period. For instance, for a two-year computer project, the staff will cease to be employed upon the completion of the project. We are not too strongly opposed to recruiting non-civil servant contract staff to fill these posts. But over the past few years, we have seen that many departments have abused this category of "non-civil servant contract" and as a result, as we can see from the figures, the number of non-civil servant contract staff has exceeded 16 000, which accounted for one tenth of the total civil service establishment. Their number is very overwhelming.

In all fairness, it is not that Secretary Denise YUE and colleagues in the Civil Service Bureau have done nothing. They have completed a comprehensive review recently, proposing that about 4 000 of these posts be reinstated as permanent posts. We very much welcome this, but there have been some arguments over implementation matters. We have often discussed this issue in the panel and during our discussion, the Government consistently stated that the reinstatement of these posts did not mean that the staff could return to work in these posts, because when new posts are created, the Government must conduct open recruitment to fill such posts. We have no objection to open recruitment, but can those staff be accorded priority in employment? The CSB replied that the head of department has the power to do so but refused to say that there is a standardized policy for it. We are very concerned about this, as we are worried that after these posts are created — these 10 000-odd people have served the Government for a long time or worked for the Government whatever their posts may be, some 4 000 of them may have a chance to be offered employment on a permanent basis — but after the creation of these posts, they may even be given the sack eventually, not having the chance to have their contracts renewed and if such being the case, we would be causing harm to them. I hope that Secretary Denise YUE can consider this issue practically.

The great number of these so-called non-civil servant contract staff is the result of the financial difficulties over the past few years. This is a historical problem and we can, in fact, tackle it in a more pragmatic way. Although the

Government cannot make an undertaking on a "through-train" arrangement, can the Government accord them priorities in employment and include this as a condition for recruitment? In fact, many large companies and private enterprises have also adopted this practice. It is reasonable to accord priorities to these staff already in employment, and I do not think that members of the public will oppose this either, because as the person has actually been working in the job and as the post will be reinstated now, this person should certainly be given priority in employment. Secretary Denise YUE also admitted that they would naturally have an advantage, but I hope that this can be spelt out in express terms in the official recruitment policy. I hope that most of them — I hope that all these 4 000 non-civil servant contract staff can have a smooth transition to permanent employment. In fact, the Hospital Authority (HA) has already taken the lead to do this. Secretary Denise YUE can make reference to the experience of the HA, because the practices adopted by the HA are quite good.

Moreover, with regard to the remaining 12 000 staff, I had asked Secretary Denise YUE at a meeting of the panel whether the comprehensive review of these 16 000 employees recently conducted and the decision to reinstate 4 000 posts would be on a one-off basis, or would a review be conducted from time to time? The Secretary's reply was very good. She said that this would be reviewed from time to time. I like this answer very much. If this will be reviewed from time to time, it means that the remaining 12 000 non-civil servant contract posts will actually be dealt with by the Government in a pragmatic manner and on the principle of creating posts where there is a need, and so, objectively speaking, they stand a chance of becoming permanent posts.

I am not suggesting that the Government should recruit staff at will, but these colleagues were employed at a very low level of wages and on very short-term contract at a time when we were in financial difficulties. They have worked for the people and for the Government with little career prospect. Now that our economy has turned the corner, should we not think a little more about them? This issue has been regularly and extensively discussed in the panel, and I hope to follow it up with Secretary Denise YUE in the panel. Particularly in respect of the civil service establishment, can she provide us with the official documents, so as to report that this cap of 160 000 is no longer necessary? The labour sector very much welcomes this.

President, the second issue which I would like to discuss is working poverty, an issue that many Members have spoken on over the last two days.

Miss CHAN Yuen-han has talked about this in the delivery of her speech here yesterday. As many of my views are the same as hers, I will repeat no more of them. In fact, I hope that the Secretary will particularly give some thoughts to the general policy of the Government. With regard to the Government's policy, I actually do not quite catch it. If the Government refused to enact legislation on minimum wage, it may be difficult for the Government to solve the problem of working poverty. Many colleagues have already commented on the rationale.

President, I have many opportunities to attend academic forums on minimum wage, and I was always confronted by a rather sharp argument and that is, according to the economists, minimum wage is not consistent with the principles of economics, and there are many such major principles or theories. How could I argue with the economists? More often than not, I could only raise one point for discussion and that is, if the Comprehensive Social Security Assistance (CSSA) payment is higher than a person's income from work, according to the theories of economics, should it not be the case that a man of reason will choose to receive the CSSA payment, rather than taking up a job which pays him even less than the CSSA? President, I was just making the last-ditch defence. I could not possibly win in any argument with them and so, I chose to debate this point with them. Many economists considered my argument justifiable. Certainly, any person will choose the option with the higher monetary value, right? If, unfortunately, the income from work is even less than the CSSA payment, would everyone not turn to the CSSA? The Government should indeed make a calculation on this.

During our discussion over the past two years, I noticed that the senior echelon of the Government, especially Mr Donald TSANG, is aware of this, and in a Question and Answer Session of the Legislative Council he also mentioned this point in his discussion. If the wages are lower than the CSSA payment and if everybody will apply for the CSSA, is the Government prepared to make such a huge commitment for the CSSA? Has the Government prepared so much resources to provide the financial support?

The latest development has even made it harder for me to understand the whole issue from an academic angle. In response to the demand in the community and from colleagues in the Legislative Council, the Government will provide a cross-district transport allowance for people in poverty and workers in difficulties who live in the remote areas to enable them to take up work across districts. This, we certainly welcome, for this can facilitate their employment in the urban areas.

Many people have criticized this proposal, and I am not going to repeat the viewpoints of the critics. But President, I notice that there is the view that this cross-district transport allowance for people living in the remote areas is a form of wage subsidy. I do not know if it is actually the intention of the Financial Secretary to provide this subsidy on a trial basis, but if the Government will implement a wage subsidy scheme across the board, the labour sector would not press the Government to legislate on minimum wage anymore because wage subsidy is even better and more deserving of my applause, is it not? If the workers' wages are insufficient to make ends meet, the Government would provide assistance to the workers for them to meet the basic needs of living. Is this not even better? But is the Government going to do this? Yet, I do not see any sign of the Government making such significant changes in its policy.

If it is because the poor people cannot afford the transport fares for long-haul journeys that this measure is implemented to provide some relief to them, is it just a temporary pilot scheme? Has the Government evaluated its financial implications? In order to tackle working poverty, should we enact legislation on minimum wage or introduce a wage subsidy scheme, or should we solve the problem simply by way of the CSSA, thinking that we have the money at hand anyway? I very much hope that the Government can provide us with a direction in our future discussion.

Certainly, it is also the mainstream view of the labour sector to call on the Government to legislate on minimum wage. This is the mainstream view of the sector, and is also deemed to be a fairer treatment to other taxpayers. Miss CHAN Yuen-han has, due to strategic considerations at the time, called on the public to queue up for the CSSA. But President, this is not even acceptable to trade unions, because Hong Kong people are so adorable; they said that they do not wish to draw on the CSSA, for what good it is to receive the CSSA? But the poor people may not be able to support themselves any longer, and if it is because their wages are too low that they cannot hang on, they have every right to draw the CSSA and there is no reason for us to hurl any criticism at them, and if they choose to receive the CSSA, can the Government afford it financially? Or, is this the direction in which our policy is inclined to develop?

I think this issue has not been thoroughly discussed in the community of Hong Kong. With regard to the minimum wage, for instance, it involves only the low-income workers or trade unions. But if one day, many low-income

workers cannot make ends meet with their meagre income and have to draw the CSSA, the question of whether legislation should be enacted on minimum wage will concern many taxpayers as well as each and every one of us. Many people have to pay tax. Should we use the tax revenue to provide the grassroots with the most basic protection of living? Or should this be deemed the responsibility of the employers so that the employers should be asked to solve the problem?

The labour sector's demand is very humble in that we only call for the enactment of legislation for the cleansing and guarding service sectors, having regard to the concern expressed in many discussions that the economy would be affected, that more people would "go northward" and that job opportunities might become even less. But I do not see how these shortcomings are likely to appear in the cleansing and guarding service sectors. How can the cleansing and guarding service sectors be relocated to the north? So, we should discuss and explore this issue in a practical manner, and from my standpoint, I think the enactment of legislation on minimum wage is simply inevitable.

The Government has now introduced a measure to alleviate the problem of working poverty by providing a cross-district transport allowance for people living in the remote areas. This, I very much support. But is the Government actually considering the policy of a much bigger scope behind this measure? I really have no idea. If the Government is not genuinely committed to implementing a wage subsidy scheme across the board, should we press harder for legislation on minimum wage? We hope that the Government can really make up its mind at the end of the year and decide to legislate on minimum wage, in which case we may be able to identify a more fundamental solution to the problem of working poverty.

**MR ABRAHAM SHEK:** Madam President, if there is such a thing as the finest hour of one's career, I would say that this must be the Financial Secretary, Mr Henry TANG's finest hour. The delivery of this year's Budget has not only been well received by the community, but also, what is more surprising is that, even in this Chamber where the dispensation of recognition, kind words and generosity to public servants is indeed rare so far, the majority of the Members who have spoken have supported your Budget; the majority of them have also spoken not of criticism, but of encouragement, enhancement and effectiveness of many of your proposed measures which could be further improved.

Let us look at where you stand in the history of public finance administration in Hong Kong. On your entry as the Financial Secretary, you were faced with political uncertainty; confidence crisis for a rather unpopular government, aggravated by a downturn of economic development, coupled with rock-bottomed property values, and record-high unemployment figures. It is like a Cantonese movie (粵語長片), going from bad to worse. From those dark days of yesteryears, Mr Financial Secretary, where are we now upon your exit as our Financial Secretary of this present term? Political confidence is restored; property values are restored to the pre-1997 level, and in some areas like the Peak, the values are even higher; unemployment rate — apart from that for the construction sector — is now at a record low of 4.4%, which in some countries, is considered as full employment; economic development has flourished; tourist numbers have reached high levels, and likely to reach new heights, and the stock market has reached unprecedented heights which even exceeded financial forecasters' expectation. Yes, you are blessed with God's graces, but most importantly, you have worked very hard to achieve what we now have. In these short few years, you have been able to turn Hong Kong around to achieve what our predecessors have hoped for but never got. You have given that to us. You have done a very good job. You have got your job done. I congratulate you.

One of the themes of this year's Budget is to return wealth to those who created it. This is a very noble concept. Mr Financial Secretary, you appear to be very generous in doling out benefits worth more than \$20 billion in tax reductions, rebates, rates waivers and additional welfare handouts to the citizens. But while the Secretary's enormous giveaway was impressive to the upper-middle class and the higher-earning professionals, the lower-income workers still received little support from the Government. Many of my colleagues have spoken much on this subject and I do not like to expand more on this, except that I think a mere \$900 million for the poor is not adequate.

Mr TSANG said recently that today's poor will become rich tomorrow. Mr TSANG also said that today's ruled will be the rulers of tomorrow. He might have read the eight Beatitudes from the *Bible*: blessed are the poor for they shall possess the Kingdom of Heaven. May I ask you, Mr Financial Secretary, to follow Mr TSANG's footsteps: let the sick be healed, let the poor be cared for, let those who are thirsty for knowledge be fulfilled. Directly, Mr TSANG's advice to you and to the future Financial Secretary, whoever he or she may be, is to spend, spend, spend in education, health and welfare; for economic growth, to

grow, grow, and grow through investment in infrastructural projects, creating employment and creating wealth through self-reliance; give them jobs, and only through health and rich in spirit shall they possess the land. This is the essence of Mr TSANG's words.

Let me talk about my favourite subject, that of construction and infrastructure. You have heard much about that before. Madam President, on the subject which is closest to my heart and for a sector which I represent, I am rather disappointed that Mr Financial Secretary has again reneged on the Government's commitment to match public spending on infrastructure and public works with the level of robust economic growth. Worse still, the Administration has failed to spend the average \$29 billion as budgeted. This really has not helped the unemployment rate of the construction sector which now stands at double digits. Bureaucratic red tape has prevented us from investing more of our public money in capital projects or major infrastructure. Because of this, various public works projects have slipped behind schedule, resulting in unrealized investment. In 2006-2007, the Government's revised estimated spending on infrastructural projects plunged to \$22 billion. This is really sad. We were expecting \$29 billion.

Unemployed construction workers, who desperately need more job opportunities to make ends meet and refuse to go on CSSA, have decried the high jobless rate of 10% in the sluggish construction industry. To salvage this industry, I plead with the Secretary to spend \$29 billion or more on infrastructure investment this year, and in subsequent years. I strongly urge the Government to launch public-private partnership (PPP) so that facilities can be built to generate much needed work for the construction industry. With the adoption of this PPP approach, construction projects can be delivered more cost-effectively and efficiently through private sector innovation and expertise in design and construction. I have suggested that the Government should actually follow the Lands Department's practice of putting up a list of projects so that the private sector can tender for them on a PPP basis. The Government should consider this.

The next subject I would like to touch on is land, which is again what I represent. Under the present land administration, the real estate development industry has encountered unprecedented bureaucratic difficulties and complications in processing land for development, especially in regard to land use conversion, lease modifications and premium assessments. The land

administration mechanism has been held up by red tape, inaction and a reluctance to overhaul policy, as a result many of the projects which could have been put on screen and which could have created a vast amount of employment were being left idle, and many of the developers are investing money in China rather than in Hong Kong.

Earlier, the Pre-construction Task Force established under the Business Facilitation Advisory Committee commissioned a consultancy study to review the processing of lease modification and land exchange applications, and to identify measures to shorten overall processing time. I strongly urge land and planning officials to study the recommendations by forging closer ties between the departments involved in the processing of lease modification and land exchange transactions, and by monitoring the progress made in respect of each application being processed. This will definitely create a more business-friendly environment for private enterprises wanting to invest in Hong Kong, thereby creating more job opportunities and ultimately a win-win situation for our city.

The major theme of my speech today is to say thank you to Mr Financial Secretary, and I wish him the best of luck in the future. Thank you.

**MR JAMES TO** (in Cantonese): President, no Member has particularly mentioned the expenditure on security, and it is always for me to speak on this area every year.

I wish to make a few points. Firstly, during the past year or two, there were indeed many cases in which superficially, the criminals who committed the crime were brought to justice. This happened in cases of murder or inflicting serious injuries on people, particularly in some cases which had caused quite a furore in society. Recently, the Court has delivered a judgement on the murder of newspaper vendor "madam Ha" in Sham Shui Po, and concerning the case in which our colleague in this Council, Albert HO, was assaulted, the assaulters have also been sentenced. But for many cases in the past, not even the criminals were arrested, let alone those cases on which the Judges and law enforcers had made statements about the mastermind still being at large even though the criminals were brought to justice. So, I think the Government should accord particular importance to its expenditure in this regard. In recent years, Hong Kong has developed closer ties with the Mainland. The number of visitors coming to Hong Kong under the Individual Visit Scheme has increased to

tens of million yearly. Yesterday, there were reports in the news about a case in which the deceased person was initially thought to have committed suicide. I do not know if that was really what had happened, and investigation will need to be conducted. But in the room of the deceased two Black Star pistols were seized. What did it show? We must ask: Is it much easier for firearms to be smuggled into Hong Kong now? Some people said that it costs some \$100,000 to \$200,000 only to hire a hit man from the Mainland to kill someone in Hong Kong. If that is true, what sort of a jungle will Hong Kong become? This is of concern to anyone in any strata of the community. Some businessmen engaging in medium-sized businesses even asked me that if Hong Kong would really turn into such a jungle (as a matter of fact, business operators in the Mainland or Southeast Asia had always thought that Hong Kong used to be very safe, and it was quite difficult to hire a hit man to kill somebody in Hong Kong before), what are the reasons? So, I hope the Government can step up its effort in this regard.

Certainly, the Financial Secretary may recall that I would propose amendments to the informer fee. I think the accountability aspect must be enhanced, but this does not mean that I oppose the informer fee. The question is whether the money is spent for the right purpose. In some serious cases, such as when the Hong Kong Jockey Club (HKJC) considered that a particular case would have an impact on its horses and races, the HKJC would offer a \$1 million-reward at its own expense. Normally, the expenditure on the informer fee and reward is mostly spent on cases relating to drug trafficking. It can be as much as \$100,000 or \$80,000; it is calculated on a pro rata basis, which is very scientific, and many of those providing the intelligence also know how it is calculated. So, for a murder case which caused widespread public indignation, should we pay a higher informer fee? Or, in a case which has caused quite a furore in the community, when the police has come to a stage where it is impossible to conduct investigation any further, that is, when investigation has reached a so-called cul-de-sac and when they cannot find any new evidence or clues, it may well be necessary to offer a greater sum of reward, in order for the relevant information to surface, hence enabling the police to resume their investigation.

Moreover, the problems with the ethics of police officers or officers in other disciplined services in recent years do give cause for our concern. Certainly, it is not appropriate for me to discuss in detail the case now being heard in the Coroner's Court. But does it mean that if we enhance our internal investigation and surveillance, especially if middle-level management is

enhanced, we could have done better and make detections earlier? As disguise are permitted after the legalization of soccer betting, police officers have actually been engaged in a lot more soccer betting and gambling activities. In the past, it would constitute disciplinary misconduct to talk about soccer betting in a manner of "conversing in low voice but laughing out loud", which would touch a raw nerve in the superiors or senior inspectors. But since soccer betting has been legalized, it is very difficult to notice their involvement if they made a disguise or keep their involvement under cover. If we ask whether front-line police officers in the police can place a bet with illegal bookmakers, I can tell Members the answer. I have conducted a preliminary and brief survey in this connection and interviewed dozens of people — sometimes, I may not be able to obtain the most accurate information if I conduct the survey myself and so I did it through many friends, their relatives and even some front-line officers. Some 30 to 40 police officers were interviewed and nearly half of them said that this was very common among policemen. I think this does warrant the concern of the Police Force.

Recently, there have been some cases concerning the ethics of the police. Certainly, some are just relatively minor cases, such as a policeman took advantage of his official duties to court a woman, while some others took advantage of their official duties to get in touch with the witness and settle the problems over their relationship. Certainly, the existing code of practice has not provided in express terms what the "do"s and the "don't"s, has it? But the question is that I think the conduct or ethics of the police warrants more careful consideration by the Police Force.

Concerning interception of communications, recently I have had some disputes with the Secretariat of the supervising authority. Why? Obviously, I think the ordinance has some problems relating to the principle and there are also some inadequacies, but I do not wish to talk about them for the time being. Under the existing legal system, we must rely on the Commissioner or his Secretariat/office to carry out covert surveillance, in order to protect the rights and interests of the public. But when I asked them for information relating to the budget, or what exactly has the Secretariat done in the past nine months with the expenditure of \$11 million allocated to the Secretariat as stated in the Budget, their reply was that they would publish every year an annual report which would be submitted to the Chief Executive. But I was asking them what they had done over the past nine months and yet they refused to tell me. We must bear in the mind that the period examined by the budget may not be consistent with the

period for which they shall submit an annual report to the Chief Executive under the law. The two periods may not exactly coincide. But the question is (I hope the Financial Secretary can look into this): if Members cannot obtain from their budget some information that can be used as a basis for our consideration — Do not forget that such information will be made public in the future and it is not a secret at all; and what I am talking about is not information relating to confidential expenditure items — For example, the information will only cover a period of nine months, and it includes the number of complaints received, the number of substantiated or unsubstantiated complaints, and so on. It is necessary to provide such information in the course of our examination of their budget. If there were cases which took place during these nine months, then the relevant information must be provided, rather than saying that such information could not be provided to me because it would be included in the report to be submitted to the Chief Executive. Otherwise, Members would be placed in a very difficult position. Should we approve this provision of \$11 million? Certainly, if this funding would really be cut, then, the one and only Secretariat responsible for carrying out surveillance would cease to exist. Therefore, from the angle of principles, it seems that we should at least be provided with information for the first nine months, because as for information after this period, there will at least be some past examples or track records as these for us to make reference to and we can hence broadly evaluate whether there are irregularities with the operation and efficiency of the Secretariat.

I would like to turn to the problems with the financial system. The Financial Secretary said that he hoped to make Hong Kong an international financial centre and in particular, he hoped that more mainland and overseas companies would be attracted for listing in Hong Kong. I very much support this direction in principle, but it involved a number of problems which I think are worthy of consideration.

Firstly, the transparency of the regulator must be enhanced. In last year's budget debate I specifically mentioned the incidents of two companies, namely, the Melco International Development Limited, Macao and the Pacific Century Insurance Holding Limited in Hong Kong, being suspected to have breached the provisions in the securities ordinance concerning the announcement of misleading information. In fact, these incidents had already occurred almost two years (or one year or so) ago, but we have yet to see any enforcement actions taken by the regulator, or even if they had taken such actions, what is the result? The public has, in fact, reacted rather strongly to these two incidents. The

public does not know whether or not the Hong Kong Securities and Futures Commission (SFC) has enforced the law or whether or not it has attributed accountability for what had happened. The SFC also refused to disclose any tiny bit of information, and even though these were past incidents, they still refused to disclose anything. This will inevitably arouse suspicion among the public as to whether the Government is deliberately lenient to the big wigs or certain people. Some people may ask: How can the regulator command the confidence of the people? In this regard, I hope that the Government can conduct a review in respect of the balancing of the interests of the companies concerned and those of the investors as well as the enhancement of transparency.

Secondly, should we sacrifice or lower the requirements for listed companies in order to attract more companies from the Mainland and from other countries to list in Hong Kong? The securities regulatory commission in the Mainland has not yet signed the Memorandum of Understanding of the International Organization of Securities Commissions and so, if the SFC in Hong Kong identified problems with a mainland company listed in Hong Kong, it will have difficulties in monitoring the company or conducting investigation into it. While we hope to make every effort to attract companies from other regions to Hong Kong — for example, recently, some oil companies in the Middle East or Central Asia have said quite intensely that they would list in Hong Kong very soon, should we ascertain whether the regulatory system of these places is trustworthy? Can we ensure effective regulation? Do we trust the ability of the regulators in these places to exercise monitoring? If the companies which will come for listing in Hong Kong are varying in standard and if it is impossible for the regulator to monitor them properly, it would increase the structural risk of the financial market in Hong Kong, which would not do any good to the overall development of the market. Therefore, we call on the Government not to lower the requirements for listed companies, in order not to sacrifice the quality and reputation of our entire market.

Thirdly, improvement of the regulatory framework. The Government has recently raised the issue of providing a legal basis for the listing provisions and brought it up with the Panel on Financial Affairs. But when I reviewed the Government's public consultation on this issue in 2005, I found that the proposal at the time was to incorporate most of the relevant listing rules into the subsidiary legislation, so as to make these regulations practicable, enforceable and legally binding. However, the Government now seems to be backing down and is willing to settle for less. While I would not say that such a monitoring system is

entirely a "toothless tiger", I would more appropriately call it a "tiger with broken teeth".

Lastly, as Hong Kong is required to monitor the operation of many mainland companies listed in Hong Kong, the anti-corruption legislation in Hong Kong is, therefore, applicable to them, and this should be a factor which helps command confidence. However, much to our regret, over the past few years, what have we seen from the handling of such cases one after another? When investigation by the Independent Commission Against Corruption (ICAC) was found necessary, the ICAC could not launch any such investigation, and as investigation reached a certain stage when it was necessary to alert the decision-making echelon of the listed company concerned and once it was so alerted, the mainlanders concerned would be summoned back to the Mainland. After they were summoned back, there would inevitably be things like investigation by the Central Commission for Discipline Inspection and then everything would come to a deadlock, subsequently investigation would be conducted by the mainland side. What would happen then? I would suddenly learn from the news that people who were wanted by us for investigation had already been sentenced in the Mainland, which means that he could no longer be tried in our Court, nor could we continue with the investigation. As a result, our ICAC's investigation had to come to an abrupt end. Where does the problem lie? If things go on like this, people who conspired with these mainland companies listed in Hong Kong in corruption activities might turn out to be better protected. Why? It is because so long as the mainlanders would be summoned back for discipline inspection and even execution, all the evidence and investigation would have to come to an abrupt end. In that case, certain companies would be in a better position than others to engage in the malpractices of corruption, and they would be in a better position to carry out illegal activities, such as money laundering or other activities.

Is this what we would wish to see? We believe that even the Central Government does wish to combat corruption, especially as Premier WEN Jiabao stated in a press conference recently that vigorous effort should be made to combat corruption. But is it adequate for corruption to be tackled by the Mainland alone? Is the Mainland really unaffected by any political factor, social and political environment or power struggle in deciding who should or should not be made the targets of investigation? When all these practices are reflected or mirrored in Hong Kong, can Hong Kong continue to be an international financial centre, and can those high-standard regulations governing business operation and anti-corruption benchmarks which Hong Kong

consistently advocates and takes pride in be fully implemented? In this respect, I think it is necessary for the higher echelons to explore this issue with the Central Government and to let the Central Government know of the pros and cons, so that Hong Kong can maintain its position as an international financial centre.

**MR WONG KWOK-HING** (in Cantonese): President, Mr Henry TANG, the Financial Secretary, in his reply dated the fifth day of the Lunar New Year to my follow-up question about the Budget, said that there would be good news. Later, Mr TANG delivered his Budget, in regard to returning wealth to the public, he put forward some one-off relieve measures in tax and rates as well as giving social security recipients one-month bonus payout, for which he has won a lot of applauses.

However, in the long run and overall speaking, the deployment and redistribution of public wealth to create more jobs and business opportunities, so as to tackle the more profound conflicts of resolving the problem of the working poor and to narrow the disparity between the rich and the poor, the Government is still lacking in effective measures and means. As such, I will focus my speech on expressing views on problems of employment, setting up business and resolving the problem of the working poor. These are issues that are of the greatest concern to the grassroots.

First of all, despite a drop in the current unemployment rate, the Government has yet to resolve the problems of structural changes in our industry sector, of workers possessing lower qualification and lower skill, of the unemployed middle-aged, and so on. At the same time, it is unable to resolve difficulties such as the lacking in balance in town planning and unemployment in remote areas. Does the Government's economic policy rely on employment in promoting more jobs and business opportunities? We do not see any bright idea on the part of the Government. In this regard, I hope the Government will seriously consider making a breakthrough in its rigid thinking, in order to revitalize our economy.

I want to particularly point out here that there are a lot of outdated restrictions — with Dr York CHOW sitting here, I would like to cite an example which is the most related to his bureau. For those who want to sell ice-cream in Hong Kong, even if the ice-cream company intends to apply for a licence to create employment for its workers, or there are unemployed workers who want to obtain the licence, the Administration still showed stoic reluctance to issue

licence for this purpose. As such, there are only 36 ice-cream hawker licences left throughout the entire territory, making them the local pandas that are close to extinction. The pandas on the Mainland still get a chance to breed, why does our Government refuse to provide us with such a good opportunity to set up business and create employment? Our Secretary for Justice was also nurtured to manhood by this business. Does the Administration also want to put an end to such a good business?

Another example is, while the Government has a lot of vacate sites, car parks and market stalls, but it would rather allow the sites to remain as "vacant appropriations" instead of using them to revitalize our economy. Also, by insisting on launching the central slaughtering scheme, the Government has caused threats to the livelihood of 3 000 or more people in the poultry retail industry. When we asked about what treatment would the displaced workers receive, the Government could not come up with any solution or reasonable compensation package, thus making us very disappointed.

I like to point out that for the construction industry in particular, a disastrous zone for unemployment, the Government has been dallying, while coming up with no solution. Though the Financial Secretary indicated that \$29 billion would be set aside for public works projects each year, I hope to draw your attention to the phrase "set aside", it is exactly where the devil lies. When we say setting aside \$29 billion each year, it does not mean a yearly spending of \$29 billion. As such, in terms of relief to the unemployment problem in the construction industry, there is a complete delay and non-realization. I hope the Financial Secretary can make a response, in the past five years — I have in fact done some calculations, the Government has underspent \$5.3 billion in total, without really implementing an expenditure of \$29 billion every year. In the three years forthcoming, I estimate that only \$23.8 billion would be spent on average every year. I have urged the Government to provide me with a detailed timetable, listing the items of works in the coming five years, yet the Government refused to do so.

I am aware that the Government normally adopts five patterns for its delaying tactics. The five patterns are used against different targets, at different times, on different occasions, by different departments and delegated to different officials, who would play tricks on the District Councils and this Council with these five patterns. This practice adopted by the Government will eventually make a fool of itself at the end of the day, giving rise to public agitation.

I would like to draw the attention of the Financial Secretary to several more examples. The Concept Plan for Lantau headed by the Financial Secretary, for instance, it would take one year to complete the feasibility studies of eight projects, and another year for the further detailed studies. After the one year and then another, the project would not be upgraded to Category B until two years later. When will it be upgraded to Category A? God knows.

Another example is, among the 25 leisure and cultural services priority projects listed in the paper of this Council, how exactly are they given priority? As far as the Ecological Park in Tso Kung Tam Valley, Tsuen Wan is concerned — better still with our Secretary Dr Sarah LIAO present — it will have yet to be completed after seven years counting from this year. Mr Donald TSANG, the Chief Executive, has taken up office for his second term, we wonder if we can see the ecological park completed even when he will be relieved from his post. What has the Government been doing?

Another more irritating issue is the greening we have been talking about lately. The Chief Executive put forward the proposal of Action Blue Sky — Dr LIAO is also here. On the issues of Action Blue Sky and Greening Master Plan (GMP), we have been told that the GMP of the New Territories would only be considered after December 2011. What is its plan beyond December 2011? They have no idea. Greening plans involve neither major infrastructural works nor land resumption, why do they have to be delayed until 2011? I cannot but raise this query in this Chamber as to whether the Government is really serious about implementing greening plans? Is it serious about having a blue sky? Is it seriously hoping to create more job opportunities? I believe the answer is obvious to us all.

The next thing I want to talk about is, the Government, being the biggest employer in Hong Kong, should have taken the lead to set an example for a good employer. However, in the past few years, we have not seen such being the case. As far as the issues of the employees on non-civil service contract terms and outsourced workers are concerned, we can see that the Government is actually getting more and more involved in a plight. Mr KWONG and Miss CHAN also talked about the contract employees just now. The contribution of the 16 000 non-civil service contract staff has provided great help to the Government in relieving the burden of servicing the public.

Nevertheless, they are second class employees who have been doing the same job with different pay. Yesterday, I made some special sketches for the

Financial Secretary, so as to impress him of their plight. They are second class employees with five "No"s: they have one, no pay rise; two, no promotion prospects; three, no career prospects (Good, Secretary Denise YUE is now joining us, she can listen carefully to this); four, no job satisfaction and five, no job security, not knowing when their rice bowls would be broken. As such, I urge the Government to attach value to our good staff, their expertise and experience in departmental operations, allowing them to have the chance to do a good job. We should not simply give them a job, for there is also a need for them to get the job done.

For this reason, I hope the Government would, in the open recruitment exercise for those 4 000 posts, think of some ways to give them priority. Give them priority in employment, do not create new unemployment and do not use this as a disguise to crash the rice bowls of those 4 000 people. Moreover, do not outsource jobs anymore, in particular, do not impose on workers fighting for their rights with threats of outsourcing the jobs. I hope the Government will employ these contract staff on permanent terms so as not to create new unemployment.

If these contract staff are said to be second class employees, does the Financial Secretary know that those workers working on outsourcing terms are presently "third class" employees in the sense that they are waiting for three things to happen to them? What are the "three things" to be awaited? The first thing is to wait for a salary cut, the second thing is to wait for an increase in working hours and the third thing to wait for is the chance of getting sacked. According to the Government's reply, in LCSD and FEHD alone, there are about 178 contracts for the employment of cleaning workers and security guards, involving more than — together with contracts of other departments — 30 000 people, as it has been estimated. The wages of these 30 000 people or more have already been instructed to reduce by outsourcing companies in accordance to the indicators drawn up by the Census and Statistic Department. As such, they are already in a very pitiable state. This year, I have dealt with a number of complaints lodged by contract staff of the Hospital Authority. While their pay has been cut from \$7,000 to some \$5,000, they have also been forced to launder their working clothing at home, which is totally unreasonable.

From different cases cited in the above, we can see that the Government should be vested with the biggest responsibility in the problem of the working poor. If the Government behaves as such, the private sector will naturally follow suit. Since the Government is behaving like this, they would be more justified to exploit the workers. For this reason, the Government should adopt

sound measures for wage protection, and take the lead in doing so, otherwise if the Wage Protection Movement has already failed by now, there would no longer be any need for an interim review or final review.

President, I received yesterday a petition submitted by a security guard in the Car Parking Spaces whose surname was YAU. He said he did not know how a complaint should be lodged, so he handed to me a letter. After reading this tear and blood-filled letter, I promised him to read out the main contexts of the letter in this Chamber today. There were five paragraphs in the letter, I would read out two of them to let you have a feel of the plight of a grass-roots worker. This is what was written in the letter:

"Everybody says that Hong Kong is a heaven on earth. I can only plead for assistance here from some honourable person who can lift people who are old and low-skilled like us from our plight. As a security guard, I earn \$193 per day, having to be on duty 12 hours a day with an hourly pay of \$16 only, yet with this, I have to support my whole family and send my children to school.

The ability to work one day is a report on my safety for that day, and the report on my safety for that one day enables me to bring home the means for my family for that day. I am like an old ox pulling a cart, seeing neither future nor hope. When one sees the remaining beam of the setting sun, one would increasingly feel the bitterness of being at the end of his rope."

President, this petitioning letter reflects the sorrowful state of security guards under the outsourcing scheme in the absence of legislation stipulating minimum wages and maximum working hours. This security guard — let us make some calculations — earns \$193 per day, adding up to \$5,018 per month if he works 26 days a month, less than what he would get under the CSSA. I urge the Government not to delay any longer in making preparations for the legislation of minimum wages. The legislative process should kick off in October this year when the year-end review has been completed.

President, out there, many people have been singing their songs of woe and making outcries loud and clear. I want to represent these people to sing out a song here in this Chamber: "No fun working without minimum wages, so legislate on it". I do hope the Government can hear this outcry and start drawing up legislation without delay, in order not to aggravate conflicts in society. Only by doing this can social harmony be achieved. Thank you, President.

**MR MARTIN LEE** (in Cantonese): Madam President, I would like to speak on the environmental issues on behalf of the Democratic Party. Our air pollution problem has in fact become a platitude in this Council, with repetitious debates conducted on related issues. When all of us are hoping that the Government can take determined action to improve our air quality, Mr Donald TSANG, our Chief Executive responded by saying that the lifespan of Hong Kong people on average is higher than those in the United States, Singapore and the United Kingdom, how come there could be anything wrong with our living environment? I doubt that Mr Donald TSANG is either unaware of the seriousness of our air pollution, or he is at the end of his tether such that he has to adopt a red herring approach.

In the Budget, there are only two proposals concerning the environment. The first one is to subsidize commercial diesel vehicle owners of pre-Euro and Euro I emission standard to replace their vehicles with those of Euro IV standard, and also to exempt vehicles with fewer emissions and using better fuel from first registration tax. The second one is to levy a tax on plastic bags in this Session. While the Chief Executive said that our major task is to improve our environment to work towards sustainability, I want to ask, is it the only means that the Government can take to improve our air quality? Will air pollution be thus improved? Will the sky be blue again and will our air be fresh once more?

The Secretary would no doubt respond by saying that the Government has been working very hard and that the measures to improve our air quality would take time. The problem of air pollution surely did not occur overnight. At the special meeting of the Legislative Council Finance Committee, I asked the Administration on the indicator used in judging the success of the Action Blue Sky. The response of Dr LIAO was very weird. She said Action Blue Sky was only an educational and promotional activity, and that the Government did not formulate any indicator to measure the effectiveness of the plan. So it turned out that it was only a PR item, a mere means for public relations. When the Government continuously persuades the public to take action for a blue sky, the sky is still very grey and our air very polluted. Apart from the phony advertisement on the blue sky, the public has nothing at all.

According to a research report jointly published by The Hong Kong University of Science and Technology and the Civic Exchange, the major source of air pollution in Hong Kong was local emissions, accounting for 53% of our pollutants. Only 36% of pollutants came from the Pearl River Delta (PRD) Region. In other words, the Government could not use the polluted air of PRD

as an excuse to shun its responsibility. I hope the Government can work on the following fronts to improve air quality in the coming year:

As regard the standard of air quality, the Government would conduct an 18-months research into the updated air quality standard of the World Health Organization (WHO), with a view to determining the need to revise our current standard. I wish to point out that, in as early as 2004, a research report of the WHO indicated that even living in an environment with fewer suspended particulates compatible with the Hong Kong standard, the human body is still subject to serious risk. Our current air quality standard is far more lax than those adopted by the European Union and the WHO. As such, what the Government should do is not conducting researches, but drawing up as soon as possible a timetable and tightening our standard on air quality, in order to be on a par with the European Union and the WHO.

The power generation plants are major sources of our air pollution. Although the Chief Executive stressed that there would not be any relaxation on the emission reduction schemes of the two power companies, yet, according to the figures of the Environmental Protection Department (EPD), compared with 1997, the emission of sulphur dioxide in 2004 has increased by almost 50%. The 2010 target to be achieved is to reduce significantly the emissions from power plants, which account for 90% of our emissions. It does not look optimistic. According to recent figures, the emission of carbon dioxide of the CLP in 2006 was the highest in 14 years. As we all know, carbon dioxide is the culprit of global warming. The Government must take stricter measures in regulating the emissions from the two power companies.

Madam President, we think that the rate of return for the two power companies should be pegged with the upper limit of their emissions. However, at the same time, the Government should make strenuous efforts on increasing the use of renewable energy. The Government's target is to generate 1% of our electric power with renewable energy by 2012. At present, the ratio of renewable energy in many developed countries has well exceeded this level (for example, in Germany, 9% of the power has been generated by renewable energy). For this reason, the Democratic Party reckons that 5% of our electric power should be generated from renewable energy in 2012.

Besides, in seriously polluted districts like Causeway Bay and Central, the Government should formulate targeted measures, such as implementation of the plan of providing green feeder buses as proposed by the Democratic Party

several years ago. In districts such as Causeway Bay and Central where traffic is heavy, the constantly congested roads would lead to an increase in foul emissions by vehicles, causing the air pollution problem to become more serious.

In view of this, the Government should set up bus interchanges close to the tunnel portals near the Western Harbour Crossing and the Cross-Harbour Tunnel in Sheung Wan and Causeway Bay, arranging for the different areas to be connected by green shuttle buses. On one hand, such an arrangement can gather up passengers to fully utilize the capacity of shuttle buses, minimizing the waste on passenger capacity of tunnel buses during non-peak hours, while on the other hand, when there are no more tunnel buses running in Sheung Wan and Causeway Bay, road traffic will become smoother and air quality will gradually improved as a result. Although this win-win option has got the support of various parties, for even a few years ago, consent was given by bus companies, the tram company, and so on, the Government has yet to put it into action. We were told that there were problems with choosing the site of the bus interchanges. I hope various departments can co-ordinate with one another and the Secretary, Mr Michael SUEN can give his full support in providing the land, such as to consider building an underground bus terminal in the Victoria Park, so as to implement the plan without delay.

Madam President, another source of our air pollution comes from the emissions in the PRD Region. In 2005, the Democratic Party has proposed to set up a Matching Fund Scheme. Just as the Chief Executive provided subsidies to reduce pollutants, the fund is also applicable to mainland factory owners in the PRD Region. The way to go about is to set up a Matching Grant Scheme, when private enterprises donate \$1 for improving the environment, the Hong Kong Government will correspondingly donate \$1 as a matching amount in support of the Fund.

Madam President, with regard to sewage treatment, the Secretary is saying that if the Legislative Council would pass a subsidiary legislation on a 10-year scheme of increasing sewage charges, and to have the Harbour Area Treatment Scheme (HATS) Stage 2A implemented, then on the completion of the project in 2013 to 2014, we shall be able to organize a cross harbour swim in the Victoria Harbour. It is understood that when the works on the Stage 2A will be completed, only primary chemical treatment could be done to our sewage, so it would be doubtful if the water quality of the Victoria Harbour and the bathing beaches in Tsuen Wan could be up to standard. The Government also admitted that all sewage discharge was forced to be done in the New Territories West, as a

result of the works of HATS Stage 1, the bathing beaches in Tsuen Wan had been caused to close down due to drastic deterioration of the water quality.

Ten years ago, the experts taking charge of our sewage treatment plant pointed out that the water quality of the Victoria Harbour could only be up to hygienic standard by using bio-treatment. When we look at other countries overseas or even provinces or municipals on the Mainland, we can see that the using of bio-treatment has become a trend. However, we still have to wait until 2010 to review whether we need to implement the works of Stage 2B of the HATS. So, are we steering in the right direction? Are we moving too slowly? I hope the Government can think it over again.

Madam President, how can the public find it acceptable that despite an increase in sewage charges, the water quality of the Victoria Harbour is still not up to standard? In the Democratic Party's opinion, the only way to enable the water quality of the Victoria Harbour to be fully up to standard is to concurrently carry out the works of HATS Stage 2A and 2B. Given the present financial situation, the Government should have surely been able to do this.

Madam President, the Government has remained stagnant in levying an environmental tax. In the past few years, as the quantity of municipal solid waste has been accumulating, the Government suggested to treat a portion of the waste by means of incineration instead of land filling. When many of the advanced countries and developed areas are recycling their waste, we, on the contrary, are taking a retrospective step. It is indeed out of keeping with the times. The Democratic Party urges the Government to implement as soon as practicable a reform on the green taxes, to levy tax on plastic bags, batteries, tyres, electronic equipment and energy (including levying taxes on major pollutants, such as sulphur dioxide and nitrogen oxide), so as to improve our environment.

Madam President, the last Cross Harbour Swim in the Victoria Harbour took place in 1973. I hope the Government would waste no time in improving our air quality and reorganizing the Cross Harbour Swim, giving the public in Hong Kong a clear objective and a timetable. I hope the three congenial wishes of the Hong Kong people — a blue sky, the Cross Harbour Swim and universal suffrage will come true very soon in Hong Kong.

Madam President, I so submit.

**MISS CHOY SO-YUK** (in Cantonese): President, in the Budget delivered by the Financial Secretary, Hong Kong has been portrayed as prosperous and booming: with economic growth on the rise, a drastic drop on the number of negative equity and unemployment rate, and a thriving stock market, reflecting that the economy of Hong Kong has made a big U-turn and the speed of recovery has been fascinating. All these are true, and the Budget has indeed taken care of the needs of various strata, particularly in relieving the heavy burden of the middle class. The credit need to be affirmed. However, since the treasury is "flooded" with money, the public expects that the Administration would undertake greater commitments in various fronts.

At the same time, substantial amount of funds have not been spent by various departments within the timeframe during the last year, especially those earmarked for major infrastructure projects. According to the Administration, as difficulties here and there had been encountered in the approval process, the expenditures thus remained untouched in the public coffers.

As such, the problem that the Government facing now is not a want of money in the Treasury, but the inability to spend the approved provision. As a matter of fact, the public have already had consensus on the implementation of a lot of projects, therefore the Government should not have any excuse for delaying them. I believe they should not meet with much difficulty here and there in the approval process. For instance, the DAB has put up the proposal of a "green budget" earlier on to the Financial Secretary, which listed a number of measures that the Government could implement and take on board immediately. However, it is really disappointing that these have yet to be accepted.

In the "green budget", we put forward a total of 14 proposals to improve our environment, urging the Government to invest \$6.3 billion in the coming 10 years to enable us to have a clean and healthy environment. For instance, we suggested that \$500 million should be allocated to conduct an overall energy audit for all government buildings, to replace electrical appliances with more efficient ones, and to carry out roof-top and vertical greening works in government structures, hospitals and schools. Once the objective is achieved, it is expected that the Government can come up with a saving of 210 million units of electricity. Meanwhile, to promote involvement of the public at large, we suggested that the Government should allocate an another \$500 million to organize an electricity conservation campaign to be participated by the entire community, and to subsidize the public and the commercial sector to purchase energy saving products. The objective is to reduce the power consumption by

5% in five years, representing a saving of 1.79 billion units of electricity, thereby achieving a very significant effect in emission reduction.

Apart from offering us cleaner air, these energy saving measures can at the same time create a lot of job opportunities.

In addition to involving the community in power conservation campaign, the DAB also urged the Government to upgrade its target in power saving. The present target of reducing power consumption by 1.5% each year is indeed too conservative and of limited effect. The DAB is of the view that it should be reasonable to gradually upgrade the target to 10% of power consumption saving within a period of five years.

In regard to reducing greenhouse gas emissions, we should not rely solely on the measures of power saving, instead an all-round approach should be taken. Given our sound financial situation, we suggest that funding should immediately be set aside to launch a research on the implementation of a carbon dioxide trading system.

In the face of the century crisis of global warming, different proposals are made by countries all over the world. For example, the United Kingdom Government is working on legislation, requiring the level of carbon dioxide emission to be reduced at a minimum of 60% by 2050. The Australia Government, on the other hand, announced that the conventional tungsten light bulbs would be totally banned within two years. While in Hong Kong, though a lot of our manufacturers have moved to the Mainland, in the past ten years, carbon dioxide emission has gone up rather than slipped downward by more than 10%. Nevertheless, the Government is not determined enough to launch any emission reduction measure. While legislation is out of the question, as for the regulation on the use of conventional light bulbs, which I raised in a related question yesterday, the Government in its reply merely brushed the topic aside by saying that it would closely monitor the international development trend and the local situation before considering the need for introducing other measures.

Reluctant as it is in considering immediate measures, no wonder the Government is giving a cold shoulder to options which require overall and careful planning. While it is a common practice to include carbon dioxide emission into their trading system in international community, the pilot trading schemes taken up by power plants in Guangdong and Hong Kong have only targeted at pollutants such as sulphur dioxide, with greenhouse gas totally excluded.

Apart from tackling the issue of global warming, we hope the Government can inject sufficient resources for our conservation land, natural streams and rivers which have become more and more rare, as well as setting up a good conservation system. Otherwise, any conservation work is mere empty talk.

The DAB urges the Government to grasp the opportunity of its sound financial situation, to set up immediately a conservation fund financing on the basis of "Conservation-related Development Plan", so as to resolve the conflicts between the plight faced by owners of private conservation land and the social demand for conservation. Likewise, for the 33 rivers identified earlier by the Government as having significant value in eco-conservation, the Government should allocate a one-off grant to conserve and enhance the ecology of these natural rivers and streams, as well as to formulate a comprehensive protection policy. In regard to our valuable trees, we suggested that two to three professional teams should be set up to take care of them, and to avoid allowing these valuable trees to be ultimately destroyed or neglected in the absence of dedicated conservation teams. Furthermore, the work on urban greenery is less than satisfactory at the moment, we suggested that the Government should earmark \$200 million to carry out more greening works in the entire territory in the coming three years, and to explore the feasibility of putting plants alongside walkways, flyovers and other places, so as to increase urban green area and reduce the greenhouse effect brought by carbon dioxide.

At the same time, the Government could also inject more resources into non-controversial projects, so as to create more job opportunities. For example, almost 500 items were declared as graded historic buildings by the Government earlier on. As many of them have been neglected for a long time, they are tattered and worn out. The Government should make good the opportunity to carry out basic renovation and maintenance works for these buildings to make preparation for future revitalization. These works can also create a lot of job opportunities for the grassroots.

As a matter of fact, the DAB agrees that conservation, revitalization and reuse of old buildings entail enormous expenditure. It is also the biggest problem faced by built heritage conservation. The DAB suggested that the Government should take the lead in funding the establishment of a sustainable heritage trust fund. With the start-up fund, public participation and community involvement can be encouraged through the provision of co-ordinating policies, including tax concessions. Apart from providing a stable financial source for heritage protection, the trust fund can also give advice on the revitalization and

reuse of graded historic buildings, as well as on the review of the criteria for heritage assessment.

Apart from injecting resources for built heritage conservation, the Budget should not neglect the livelihood of people living in old districts when the public coffers are "flooded" with money. As a matter of fact, the living environment of a number of old districts is far from satisfactory. The side streets and alleys of these areas are so dirty that mosquitoes are haunting the place, bringing threats to environmental hygiene. We suggested that the Government should immediately allocate money for launching a cleaning campaign to improve the environment of our community, with a view to preventing the spread of diseases.

President, I also want to express my opinion as regards the restrictions on living outside Hong Kong placed on the Old Age Allowance (OAA) recipients. For many elderly people, the OAA is their only stable source of income every month. The Government expenditure will not be increased by allowing them either to live in Hong Kong or on the Mainland, while at the same time giving these recipients a choice to lead a more dignified life. What I do not understand is why the Government has all along refused to accord them this additional choice. Besides, while elderly CSSA recipients are allowed or even encouraged to live on the Mainland, why is the restriction of 120 days for OAA still persistently maintained?

Cases of domestic violence take place almost everyday. The seriousness of some of these cases in which people even killed their wives or children was astounding. According to the figure of the Social Welfare Department (SWD), from January to September 2006 alone, the newly reported number of cases involving battered spouses soared up to 3 412, which is three and a half times more than that received in 2005, and this increase is terrifying.

The Financial Secretary undertook to allocate an additional fund of \$31 million to take care of victims of domestic violence and to enhance family services. In my opinion, this is the right direction to go, but there is still room for improvement, particularly in resources allocation, such as considering giving residential assistance to battered women. I suggest the Government to provide more refuge places, and to review the arrangement adopted by the Housing Department (HD) in handling applications of compassionate rehousing, such as expediting the approval process, so as to rescue as soon as possible these women from the reach of such demons. Although women refuges for battered women are available at present, and the number of places has increased from 170 to 180

this month, it is still far from adequate to meet the basic demand. In theory, battered victims can stay in the refuge place for three months, but due to serious shortage of places, women seeking help are usually forced to go back to their home within as short as two weeks. The most worrying thing is, according to informal survey done by frontline social workers, for cases involving battered women referred by the SWD to the HD, 80% of them would be rejected. With nowhere to go to, battered women had no choice but to return home, hence living under the same roof with the violent spouse in constant fear.

Many a times, family tragedies happen to cross-border marriages and old-husband-young-wife families. Last year, among some 45 000 registrations for marriage, 45% involved mainlanders, and 90% of them are Hong Kong husbands marrying mainland wives. For this reason, I suggest the SWD to consider offering premarital counselling services to these couples, targeting at their cultural background and social habits, so that they could understand each other better, with a view to reducing conflicts and preparing them psychologically to face the difficulties they may encounter in their new lives in Hong Kong.

President, I so submit.

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

(No Member indicated a wish to speak)

**PRESIDENT** (in Cantonese): Eighteen Members have spoken on the motion today, making up a total of 57 Members having spoken on the motion yesterday and today.

**MS MIRIAM LAU** (in Cantonese): President, I move that the debate on the Second Reading of the Appropriation Bill 2007 be adjourned to the meeting of 18 April 2007.

**PRESIDENT** (in Cantonese): I now propose the question to you and that is: That the debate on the Second Reading of the Appropriation Bill 2007 be adjourned to the meeting of 18 April 2007.

**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): Council will continue with the debate on the Second Reading of the Appropriation Bill 2007 at the meeting to be held on 18 April 2007 when public officers will respond. If the Bill receives its Second Reading, its remaining stages will also be proceeded with at that meeting.

#### **NEXT MEETING**

**PRESIDENT** (in Cantonese): I now adjourn the Council until 11.00 am on Wednesday, 18 April 2007.

*Adjourned accordingly at nineteen minutes to Seven o'clock.*