

OFFICIAL RECORD OF PROCEEDINGS

Wednesday, 25 October 2006

The Council met at Eleven o'clock

MEMBERS PRESENT:

THE PRESIDENT

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

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

THE HONOURABLE ALBERT HO CHUN-YAN

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

THE HONOURABLE LEE CHEUK-YAN

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

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

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

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

THE HONOURABLE MARGARET NG

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

THE HONOURABLE JAMES TO KUN-SUN

THE HONOURABLE CHEUNG MAN-KWONG

THE HONOURABLE CHAN YUEN-HAN, J.P.

THE HONOURABLE BERNARD CHAN, G.B.S., 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 KONG-WAH, J.P.

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

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

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

THE HONOURABLE CHOY SO-YUK, J.P.

THE HONOURABLE ANDREW CHENG KAR-FOO

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

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

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

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

THE HONOURABLE ALBERT CHAN WAI-YIP

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

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

THE HONOURABLE VINCENT FANG KANG, J.P.

THE HONOURABLE WONG KWOK-HING, M.H.

THE HONOURABLE LEE WING-TAT

THE HONOURABLE LI KWOK-YING, M.H., 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 MA LIK, G.B.S., J.P.

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

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

DR THE HONOURABLE KWOK KA-KI

DR THE HONOURABLE FERNANDO CHEUNG CHIU-HUNG

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

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

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

THE HONOURABLE CHIM PUI-CHUNG

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

THE HONOURABLE ALBERT JINGHAN CHENG

THE HONOURABLE KWONG CHI-KIN

THE HONOURABLE TAM HEUNG-MAN

MEMBERS ABSENT:

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

THE HONOURABLE LEUNG KWOK-HUNG

PUBLIC OFFICERS ATTENDING:

THE HONOURABLE RAFAEL HUI SI-YAN, G.B.S., J.P.

THE CHIEF SECRETARY FOR ADMINISTRATION

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

THE HONOURABLE JOSEPH WONG WING-PING, G.B.S., J.P.

SECRETARY FOR COMMERCE, INDUSTRY AND TECHNOLOGY

THE HONOURABLE STEPHEN IP SHU-KWAN, G.B.S., J.P.

SECRETARY FOR ECONOMIC DEVELOPMENT AND LABOUR

THE HONOURABLE FREDERICK MA SI-HANG, J.P.

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY

THE HONOURABLE STEPHEN LAM SUI-LUNG, J.P.

SECRETARY FOR CONSTITUTIONAL AFFAIRS

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

THE HONOURABLE 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 VIVIAN KAM NG LAI-MAN, ASSISTANT SECRETARY GENERAL

MRS JUSTINA LAM CHENG BO-LING, ASSISTANT SECRETARY
GENERAL

TABLING OF PAPERS

The following papers were laid on the table pursuant to Rule 21(2) of the Rules of Procedure:

Subsidiary Legislation/Instruments	<i>L.N. No.</i>
Merchant Shipping (Local Vessels) (Fees) Regulation	212/2006
Merchant Shipping (Local Vessels) (Amount of Insurance Cover) Notice	213/2006
Designation of Museum (Dr Sun Yat-sen Museum) Order	214/2006
Carriage by Air (Amendment) Ordinance 2005 (Commencement) Notice	215/2006
Freight Containers (Safety) Ordinance (Commencement) Notice	216/2006
Freight Containers (Safety) (Applications for Approval of Containers) Regulation (Commencement) Notice	217/2006
Freight Containers (Safety) (Fees) Regulation (Commencement) Notice	218/2006
Freight Containers (Safety) (Arrangements for Authorized Persons) Order (Commencement) Notice	219/2006
Freight Containers (Safety) (Examination Procedure) Order (Commencement) Notice	220/2006
Freight Containers (Safety) (Amendment) Ordinance 2006 (Commencement) Notice	221/2006

Other Papers

- No. 15 — Report by the Trustee of the Prisoners' Education Trust Fund for the period from 1 April 2005 to 31 March 2006
- No. 16 — Audited Financial Statement of Accounts and Auditors' Report for the Fish Marketing Organization for the year ended 31 March 2006
- No. 17 — Audited Financial Statement of Accounts and Auditors' Report for the Vegetable Marketing Organization for the year ended 31 March 2006
- No. 18 — Marine Fish Scholarship Fund Trustee's Report and Audited Financial Statement of Accounts and Auditors' Report on the Fund for the year ended 31 March 2006
- No. 19 — Agricultural Products Scholarship Fund Trustee's Report and Audited Financial Statement of Accounts and Auditors' Report on the Fund for the year ended 31 March 2006
- No. 20 — Office of the Telecommunications Authority Trading Fund Annual Report for the year 2005/06, together with the certified statements and the report of the Director of Audit for the Fund
- No. 21 — Post Office Trading Fund Annual Report for the year 2005/06, together with the certified statements and the report of the Director of Audit for the Fund

WRITTEN ANSWERS TO QUESTIONS**Operation of LPG Filling Stations**

1. **MR LAU KONG-WAH** (in Chinese): *President, regarding the operation of liquefied petroleum gas (LPG) filling stations, will the Government inform this Council of:*

- (a) *the average time currently taken by LPG taxis waiting at LPG filling stations for gas refills during rush hours, and how it compares to that in October last year; and*
- (b) *the number of complaints received from taxi drivers in the past three months about prolonged waiting time for gas refill, and the follow-up actions taken?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS

(in Chinese): President,

- (a) With large fluctuation in international LPG prices from September 2005 to February 2006 (that is, prior to the monthly adjustment of LPG ceiling prices for dedicated LPG filling stations), LPG prices at non-dedicated LPG filling stations soared accordingly while those at dedicated LPG filling stations could not be changed until the half-yearly adjustment. As a result, there was a differential of \$0.7/litre to \$0.9/litre between the LPG prices at dedicated and non-dedicated LPG filling stations. During that time, about 74% of LPG vehicles were refilled at the 12 dedicated LPG filling stations while the remaining 26% of LPG vehicles were refilled at the 43 non-dedicated LPG filling stations. The mismatch between supply and demand led to long queues of vehicles waiting for gas refills at dedicated LPG filling stations.

In October last year, the queuing time for gas refills at dedicated LPG filling stations was about five to 20 minutes. The situation worsened in the following few months, with queuing time extended to 30 to 40 minutes during rush hours. Upon the implementation of monthly LPG ceiling price adjustment mechanism on 1 March 2006, the problem of LPG prices at dedicated LPG filling stations lagging behind those at non-dedicated stations was entirely resolved. Since then, the situation of vehicles queuing for gas refills has substantially improved. At present, the queuing of vehicles for gas refills at dedicated filling stations mainly occurs during the shift-changing hours of taxi drivers in the afternoon and the longest queuing time is only about five to 15 minutes.

- (b) In the past three months, the Government received a total of two complaints about the slightly longer queuing time at dedicated filling stations. Site inspections conducted by the Electrical and Mechanical Services Department (EMSD) revealed that the operators had tried their best to provide filling service by utilizing all filling nozzles.

The EMSD has been closely monitoring the operation of dedicated filling stations. A 24-hour hotline has been set up to collect views of LPG vehicle trades. In addition, quarterly forums for dedicated filling station operators and the trades are arranged to enhance their communication and understanding, as well as gather views on the operation of filling stations.

Management of Government Records

2. **MS MARGARET NG:** *President, from time to time, there were reports on incidents regarding the loss of government records or the failure of government departments to provide access to certain information upon request because it has not been documented or the records could not be located. In this connection, will the Government inform this Council:*

- (a) *given that many countries have enacted legislation to ensure that government activities and transactions are adequately and properly documented, that government records are properly managed and disposed of, that records of enduring value are selected for transfer to the archives, and that public access is provided for reasons of accountability and transparency, of the reasons for the absence of similar legislation in Hong Kong;*
- (b) *whether there is any official definition of "archival records", and whether it is the same as "public records" as defined in the laws of Hong Kong;*
- (c) *given that the Public Records Act of the United Kingdom has a long history, the mainland authorities enacted an archival law in 1987 and Macao also has such a legislation, whether it has considered*

enacting an archival law or plans to do so; if so, of the relevant timetable; and

- (d) *as there is no archival law in Hong Kong, how the Government ensures proper management of its active, inactive and archival records in terms of:*
- (i) *the number of government records created in each of the past seven years;*
 - (ii) *the number of government records appraised for destruction in each of the past seven years;*
 - (iii) *the number and major types of government records identified as archival records in each of the past seven years;*
 - (iv) *the current respective numbers of these records in the Government and the management programmes applied to them;*
 - (v) *the mechanism and arrangement for identifying government records as archival records;*
 - (vi) *the places and means by which archival records are preserved; and*
 - (vii) *the places where and the means through which the public can access open or closed archival records;*
 - (viii) *the persons who decide on the preservation of and the granting of public access to archival records;*
 - (ix) *the mechanism for ensuring archival records are properly identified and preserved in the archives even when government bureaux or departments may refuse to have their records appraised or transferred to the archives;*
 - (x) *the mechanism for appeal when members of the public are denied access to archival records; and*

- (xi) *the resources, in terms of funding and personnel (number of government officers, their professional qualifications, ranking and area of expertise), made available annually for managing active, inactive and archival records?*

CHIEF SECRETARY FOR ADMINISTRATION: President,

Need for legislation (Parts (a) and (c) of question)

The Government Records Service (GRS) is tasked to oversee the management of government records on a government-wide basis. GRS has promulgated records management procedures and guidelines to ensure proper management of government records and provides records management training and advice to help bureaux and departments improve their records management. In line with the administrative framework set by GRS on the creation, use, disposal and preservation of and access to government records, bureaux and departments have appointed Departmental Records Managers to ensure that government records are properly managed and maintained.

GRS also operates central records centres to provide intermediate storage and disposal services of inactive government records, pending their final disposal (that is, destruction or permanent retention). Records appraised to have enduring value are transferred to the Public Records Office (PRO) of GRS as archival records for permanent preservation. They will then be accessioned, that is, classified, arranged, catalogued and described, and finally made available for public access.

Access to archival records kept by GRS is managed through the Public Records (Access) Rules 1996. Separately, access to government records kept by any government bureau or department is provided through the Code on Access to Information, also administrative in nature. Whilst there is no archives or records legislation in Hong Kong, the present system is functioning effectively and we will continue to improve on it. We do not consider archival legislation a priority item for the Government.

Definitions (Part (b))

"Archival records" (歷史檔案) generally means documents and materials preserved because of their continuing or permanent value. The PRO of GRS,

as the designated government archive, identifies and preserves records of enduring value and makes them available for public use over time.

"Public Records" (政府檔案) is a more generic term and the meaning depends on the context used. For records management purposes, "public records" means records from legislative, judicial or executive transactions transferred to or acquired by PRO of GRS.

Records created and managed throughout the Government (Parts (d)(i) and (iv))

As bureaux and departments manage their own active and inactive records, GRS does not collate statistics on the number of records created each year and the number of active and inactive records throughout the Government.

Records appraised for destruction or preservation as archival records (Parts (d)(ii) and (iii))

All records proposed by bureaux and departments for destruction have to be vetted by GRS. The quantity of government records appraised for destruction and as archival records in the past seven years is as follows:

<i>Year</i>	<i>Records appraised for destruction (in linear metres)</i>	<i>Records appraised as archival records (in linear metres)</i>
2000	23 113	550
2001	20 013	650
2002	68 209	384
2003	53 633	413
2004	32 253	383
2005	29 748	233
2006 (up to end September)	23 951	357

The archival records are mainly records from bureaux, departments and the Judiciary. Major transferring agencies include Policy Bureaux, Architectural Services Department, Judiciary, Companies Registry, Social Welfare Department and Buildings Department.

Preservation of archival records (Parts (d)(v), (vi), (viii) and (ix))

As explained, bureaux and departments are required to seek the prior consent of the GRS Director for any destruction of their inactive records. In the process, if the Archivist in GRS considers the records as having enduring value, he will arrange for such to be kept permanently in specially-fitted repositories inside the Hong Kong Public Records Building, a purpose-built archive providing a secure controlled environment for the protection of archival materials. In addition, procedures like fumigation and microfilming will be adopted where appropriate to preserve the archival records.

Other than the purpose-built archives, GRS also operates two central records centres, which allow bureaux and departments to transfer their inactive records to GRS for storage pending final disposal. Together with the originating bureaux or departments, GRS will determine, after an agreed retention period, whether the stored records should be destroyed or transferred to the PRO as archives. It is also possible for bureaux and departments to transfer records of archival value to the PRO direct.

Bureaux and departments are generally very co-operative and the storage and vetting services performed by GRS are well-received.

Access to archival records (Parts (d)(vii), (viii) and (x))

Public records kept by GRS are available for inspection including "closed records" which may be inspected with permission from the GRS Director. The public may visit the Hong Kong Public Records Building in Kwun Tong to inspect records and other materials available for access. They may also visit GRS website for convenient and remote access to the online catalogue of PRO's holdings and some digitized holdings, such as photographs and posters. We are not aware of complaints relating to denial of access to closed records. In any event, a person aggrieved may seek a review of the decision through the Director of Administration, the record-originating government bureau or other open means.

Resources (Part (d)(xi))

As bureaux and departments manage their active records and inactive records, GRS does not have ready information on the resources made available annually for managing these records throughout the Government.

For GRS, a provision of \$29.3 million has been allocated for 2006-2007 for formulating and implementing policies and plans for records management and archives administration on a government-wide basis. GRS is headed by an officer at the Directorate Pay Scale point D1 with the support of 87 staff. Twenty-six of them are involved in archives administration (comprising one Archivist, two Senior Assistant Archivists, two Assistant Archivists and 21 supporting staff), 51 are involved in records management and the operation of the central records centres (comprising one Chief Executive Officer, two Senior Executive Officers, three Executive Officers I, one Executive Officer II, two Senior Assistant Archivists, two Assistant Archivists and 40 supporting staff), and 10 are for internal administration.

The entry qualification for Assistant Archivist (entry rank for the Archivist grade) requires a bachelor's degree in history, political science or public administration plus two years' post-graduate research, study or training in these subjects. The entry qualification for Executive Officer II (entry rank for the Executive Officer grade) requires a bachelor's degree.

Safety of Ngong Ping 360 Cable Car

3. **MR LEUNG YIU-CHUNG** (in Chinese): *President, during a trial run of the Ngong Ping 360 cable car system in June this year, many people were trapped in the cable cars as a result of a suspension of operation due to strong wind. Moreover, a number of problems were also identified. The commissioning of the system was consequently postponed. Since its commissioning in September, the operation of the cable car system has been suspended on a number of occasions due to strong wind, and cracks were also found on the crossbeam of the lowest level of Tung Chung Station and at Nei Lak Shan Angle Station. In this connection, will the Government inform this Council whether:*

- (a) *it has conducted an investigation to ascertain if a faulty design of the cable car system has necessitated the suspension of the system in strong wind conditions; if so, of the investigation results, as well as the improvement measures to ensure the safe operation of the cable car system in strong wind conditions (except when a tropical cyclone warning signal No. 3 or above is in force);*

- (b) *it has looked into the causes of the above cracks, and come up with the remedial measures; and*
- (c) *it has assessed the losses suffered by the operator of the cable car system, shop operators at Ngong Ping Village and the tourism industry as a result of the suspension of operation and discovery of cracks; if so, of the amount of losses; and*
- (d) *it knows if the authorities concerned have conducted an investigation to establish if the cracks were caused by the negligence of the contractor; if such negligence of the contractor has been established, whether compensation will be sought from the contractor; if so, whether the amount of compensation to be sought will cover the various losses mentioned in (c) above?*

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

- (a) According to the Electrical and Mechanical Services Department, wind speed limit is an integral part of the design of a cable car system as cable cars operate in an outdoor and exposed environment. The Ngong Ping 360 cable car system is no exception. Whenever the wind speed approaches the threshold (not only in case of Typhoon Signal No. 3 or above), the Ngong Ping 360 cable car system will issue a warning signal which requires the cable cars to decelerate or cease service. It is necessary for the cable cars to suspend operation or delay boarding under strong winds for the sake of passengers' safety and comfort. This practice does not involve any design or safety issues of the cable car system. Temporary suspension of cable car service under adverse weather conditions is common in other places.
- (b) As regards the cracks on a crossbeam of the Tung Chung Skyrail Terminal, the MTRCL informed the Buildings Department (BD) of the incident on 20 September 2006. The BD carried out promptly an inspection of the entire Tung Chung Skyrail Terminal Building

on 21 September 2006. The BD considers that as temporary support was erected under the crossbeam and no other cracks or structural damage was found, the Terminal Building is structurally safe and the incident will not have any impact on the safety and operation of the cable car system.

In early October, the MTRCL, the Authorized Person, the Registered Structural Engineer and the Registered General Building Contractor submitted reports on the incident to explain the causes of the cracks.

As for the cracks identified in the Nei Lak Shan Angle Station, the BD is of the view that the cracks are not structural ones after investigation. They will not give rise to any structural safety problems. The MTRCL has commenced repair works.

- (c) The Ngong Ping 360 cable car system has commenced operation for one month only. The Skyrail-ITM (Hong Kong) Limited (Skyrail) would improve its workflow and enhance staff training so as to upgrade their service. The MTRCL and Skyrail have also pledged to enhance transparency in the operation of the cable car system and to improve their notification mechanism so as to lessen the impact on passengers. While there is still room for improvement in its operation, the incidents of stoppages and cracks would not affect Hong Kong's tourism industry. As indicated by the MTRCL, Ngong Ping 360 has received 190 000 visitors from its opening to 23 October. During the National Day Golden Week, Ngong Ping 360 attracted some 60 000 visitors. Skyrail, which manages and operates the Ngong Ping 360 cable car system, will continue to liaise with the shop tenants at Ngong Ping Village and the tourism industry, and enhance visitors' awareness of and interest in the cable car ride, the Ngong Ping Village and other tourist attractions at Ngong Ping.
- (d) The BD considers that the cracks found in the Nei Lak Shan Angle Station are not structural ones and are caused by normal concrete shrinkage during the construction period. There is no

contravention of the provisions of the Buildings Ordinance. As for the cracks found on one of the crossbeams at the Tung Chung Terminal Building, the BD is examining its causes and will follow up as necessary. The MTRCL has applied to the BD for installation of extra permanent support to the crossbeam. The BD is processing the application. The MTRCL will commence the enhancement works once approval has been granted. The enhancement works will take four to six weeks, and are expected to be completed by mid-December 2006.

Mainland Women Giving Birth in Hong Kong

4. **MS LI FUNG-YING** (in Chinese): *President, it is learnt that an increasing number of mainland women come to Hong Kong to give birth in order to enable their new born babies to have the right of abode in Hong Kong or evade the family planning policies of the mainland authorities. In this connection, will the Government inform this Council:*

- (a) *of the number of mainland women who gave birth in Hong Kong in each of the past five years, with a breakdown by the sectors (that is, public or private) of the hospitals which provided the obstetrics services; and*
- (b) *whether it has conducted any study on the impact, of such mainland women giving birth in Hong Kong and their babies returning to settle in Hong Kong in the future, on various public services in Hong Kong; if it has, of the study results; if not, the reasons for that?*

SECRETARY FOR SECURITY (in Chinese): President, we have consulted the relevant bureaux and departments on Ms LI Fung-ying's question. Our reply is as follows:

- (a) According to the statistics collated by the Immigration Department, the number of babies born to mainland women in Hong Kong in the past five years are as follows:

<i>Year</i>	<i>Number of babies born</i>
2001	7 810
2002	8 506
2003	10 128
2004	13 209
2005	19 538

The Government does not specifically keep the breakdown of the above statistics by public hospitals, private hospitals or other places. Nevertheless, for public hospitals, the Hospital Authority (HA) has kept figures on the number of births by Non-entitled Persons (NEPs), which means persons other than Hong Kong Identity Card holders. Such figures for 2003, 2004 and 2005 are 8 692, 11 116 and 13 917 respectively. The HA does not have the breakdown for those by mainland women. Besides, the HA revised the definition of NEPs in early 2003; hence, it may not be appropriate to compare the above figures with those of 2002 and before.

- (b) The Government is very concerned about the issue of mainland women giving birth in Hong Kong, but has not come to a conclusion on its long-term impact at this stage. We believe that many of such babies will return to the Mainland soon after birth with their mothers who are not Hong Kong residents. If these babies remain in the Mainland for a long period, statistically they will not be counted as part of Hong Kong's population. If they come to Hong Kong to live afterwards, they will be counted towards our population figures. In assessing the short-term demand for services, relevant government bureaux/departments will examine the actual latest population figures. On a long-term basis, the Census and Statistics Department updates the population projections of Hong Kong once every two to three years. This facilitates the Government to ascertain the demand for services in areas such as housing, education, social welfare, and medical and health.

In any case, the relevant bureaux and departments will continue to closely monitor the situation of mainland women giving births in Hong Kong.

Medical Council of Hong Kong

5. **DR KWOK KA-KI** (in Chinese): *President, the Medical Council of Hong Kong (the Medical Council) handles the registration, examination and disciplinary matters of medical practitioners in accordance with the Medical Registration Ordinance. Among the 28 council members of the Medical Council, half of them are appointed by the Chief Executive. Other professional bodies, such as The Law Society of Hong Kong, the Hong Kong Bar Association, the Hong Kong Institute of Certified Public Accountants, The Hong Kong Institute of Architects, The Hong Kong Institute of Surveyors and The Hong Kong Institution of Engineers, are all independent of the Government and have the same basic function of handling registration, examination and disciplinary matters. Most, if not all, of their council members are elected on a one-member-one-vote basis. In this connection, will the Government inform this Council:*

- (a) *of the reasons for the Medical Council to have a statutory framework different from those of other professional bodies and for half of its council members being appointed by the Chief Executive; and*
- (b) *of the number of staff members, remuneration, income and other expenses related to the following functions of the Medical Council in the past three years;*
 - (i) *registration of medical practitioners;*
 - (ii) *licensing examination;*
 - (iii) *handling complaints and conducting disciplinary inquiries about medical practitioners;*
 - (iv) *continuing professional development programme; and*
 - (v) *other administrative matters?*

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

- (a) The Medical Council is an independent statutory body established under the Medical Registration Ordinance (Cap. 161). It is empowered to register medical practitioners, conduct licensing examinations, and exercise disciplinary actions over medical practitioners in Hong Kong.

In the regulation of the medical professions, the Administration has subscribed to the principle of professional autonomy. The Medical Council enjoys independence in performing its aforesaid statutory functions. The Administration respects the independence of the Medical Council and would not interfere with the decisions that are within the autonomy of the profession. The historical development, background and specific needs of the different professional bodies all contribute to the different regulatory regimes and it is not appropriate to draw a direct comparison between the regulatory frameworks of different professional bodies. Generally speaking, all professionals recognize the principle of professional autonomy and a fair degree of lay participation in its regulatory matters.

The Medical Registration Ordinance currently provides that of the 28 members of the Medical Council, seven are to be nominated by the Hong Kong Medical Association and seven returned by the medical practitioners. The remainder of the members include two medical practitioners nominated by the University of Hong Kong, two medical practitioners nominated by The Chinese University of Hong Kong, two medical practitioners nominated by the Hospital Authority, two medical practitioners nominated by the Director of Health, two medical practitioners nominated by the Academy of Medicine and four lay members. These members are appointed by the Secretary for Health, Welfare and Food under the delegated authority of the Chief Executive. Such an arrangement ensures that different stakeholders in the medical sector can participate in the operation of the Medical Council and that their views are fully reflected in the Medical Council.

- (b) Please refer to the Annex for the relevant information.

Income and expenditure of the Medical Council in the past three years

Functions	Income			Expenditure								
	2003-2004 (\$)	2004-2005 (\$)	2005-2006 (\$)	2003-2004			2004-2005			2005-2006		
				Number of staff	Expenditure on remuneration (\$)	*Recurrent expenditure (\$)	Number of staff	Expenditure on remuneration (\$)	*Recurrent expenditure (\$)	Number of staff	Expenditure on remuneration (\$)	*Recurrent expenditure (\$)
Registration of medical practitioners	6,341,000	6,176,000	5,940,000	12	5,654,373	400,000	12	5,487,786	410,000	12	5,321,145	420,000
Licensing examination	348,720	320,065	354,120			3,218,000			2,061,000			2,903,000
Handling complaints and conducting disciplinary inquiries						200,000**			220,000**			250,000**
Continuing professional development programme						5,000			5,500			6,000
Other administrative matters						1,796,000			2,276,000			3,101,000
Sub-total					5,654,373	5,619,000		5,487,786	4,972,500		5,321,145	6,680,000
Total	6,689,720	6,496,065	6,294,120		11,273,373			10,460,286			12,001,145	

* Recurrent expenditure is provided for by the Government and does not include office rents, maintenance costs and utility charges.

** The figures do not cover the expenditure on professional services, litigation and simultaneous interpretation service.

Enhancing Protection of Data in Mobile Phones

6. **MR JASPER TSANG** (in Chinese): *President, at present, after a member of the public has lost or sold his mobile phone, the personal data in the phone may possibly be abused, for instance, being made public on the Internet, by the person who gets hold of the phone. In this connection, will the Government inform this Council whether it plans to enact legislation to criminalize the act of abusing other people's data in mobile phones, so as to enhance the protection of individual privacy; if so, of the progress of its plan; if not, the reasons for that?*

SECRETARY FOR HOME AFFAIRS (in Chinese): President, there are existing protections and remedies against the abuse of other people's data stored in mobile phones. Depending on the circumstances involved, unauthorized use, including disclosure, of personal data stored in a mobile phone may attract both civil and criminal liabilities under existing legislation.

The obtaining, retention and disclosure of personal data contained in a mobile phone is subject to the regulation and controls of the Personal Data (Privacy) Ordinance (Cap. 486) (PDPO). A data user is prohibited under section 4 of the PDPO from doing an act, or engaging in a practice, that contravenes the data protection principles (DPP) set out in Schedule 1 of the Ordinance, unless the act or practice is permitted under the Ordinance.

DPP 1 requires, among other things, that the collection of personal data must be conducted by lawful means and be fair in the circumstances. The data user is also required to take all practicable steps to ensure that the data subjects are informed of the purpose of data collection on or before the collection. While each case will be determined on the facts of the case, in general the obtaining of the personal data in the circumstances described in the question will likely be in breach of these requirements.

DPP 2 requires, *inter alia*, that personal data should not be kept longer than is necessary for the purpose for which they are collected. Again, the retention of the personal data in the circumstances described in the question will likely be in breach of such requirement.

As for disclosure, DPP3 requires a data user to obtain the data subject's consent before using the latter's personal data for any purposes other than those for which the data were to be used at the time of collection. Again, the

unauthorized upload or disclosure in the circumstances described in the question will likely be in breach of such requirement.

Under the PDPO, the Privacy Commissioner may serve an enforcement notice on a person who has contravened the requirements stipulated in the Ordinance. Contravention of an enforcement notice is a criminal offence. The offender is liable on conviction to a fine at level 5 and to imprisonment for two years; and in the case of a continuing offence, to a daily penalty of \$1,000. Moreover, an affected person who suffers damage because of a contravention of the requirements under the PDPO is also entitled to compensation (including compensation for injury of feelings) from the person who contravened the PDPO requirements.

We are reviewing the PDPO and will take into account public views and the Honourable Member's concerns in considering whether additional legislative sanctions are required for protection of individual privacy against unlawful collection and disclosure of personal data, including circumstances described in the question.

Hygiene Condition of Refuse Collection Vehicles

7. **MR ALBERT CHENG** (in Chinese): *President, it is learnt that some refuse collection vehicles (RCVs) running on the road are filthy and stink with foul water dripping, becoming an eyesore to the public and affecting environmental hygiene. In this connection, will the Government inform this Council whether:*

- (a) *the Food and Environmental Hygiene Department (FEHD), private contractors and private cleansing service providers are required to keep their RCVs in good hygiene condition; if so, of the penalties which may be imposed on the parties concerned for the situation mentioned above;*
- (b) *prosecutions have been instituted in the past three years for the above situation; if so, of the number of prosecutions instituted; and*
- (c) *it will consider making it a mandatory requirement for the parties concerned to cleanse their RCVs regularly, as well as providing car-wash facilities at landfills to offer RCVs cleansing service at a charge determined on the cost-recovery basis?*

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

- (a) The FEHD has established guidelines and contract provisions to ensure that the RCVs of both the Department and its contractors are kept in a clean and hygienic condition. Moreover, to prevent leachate from soiling the streets when the RCVs are in motion, sump tanks are installed in all these RCVs to trap leachate from the refuse collected.

The FEHD's guidelines to its drivers stipulate that all RCVs, after disposal of refuse at transfer stations or landfills, should be cleansed by on-site vehicle washing machine and with the sump tanks emptied before leaving the site. To ensure that these guidelines are observed, the FEHD's supervisory staff conducts surprise inspections at transfer stations and landfills. Furthermore, drivers have to arrange for the RCVs to be washed when they return to depots at the end of each working day. Particular attention will be given to the leak-proofing device of the RCVs during regular examination and maintenance, to reduce the chances of environmental pollution.

As for the RCVs of the FEHD contractors, there are provisions in the contract to require the contractors to keep their RCVs clean and to wash the vehicles at the end of each working day. In the course of monitoring the services rendered by the contractors, if the FEHD detects any unsatisfactory service or breach of contract provisions, it will take appropriate punitive actions against the contractors in accordance with the relevant contract provisions.

For soiling of streets by any waste (including leachate, mud, and so on) by any vehicles (including RCVs operated by private cleansing companies), the FEHD may initiate prosecution against the registered owners or any persons concerned under section 9 of the Public Cleansing and Prevention of Nuisances Regulation (Cap. 132BK). Any person who contravenes the legislation is liable to a maximum fine of \$25,000 and imprisonment of six months upon conviction.

- (b) In the past three years, the FEHD has initiated 321 prosecutions under section 9 of the Public Cleansing and Prevention of Nuisances Regulation (Cap. 132BK) for soiling of streets by waste from vehicles. Of these, more than 30 cases are in connection with RCVs.
- (c) In waste disposal facilities managed by the Environmental Protection Department, such as refuse transfer stations and landfills, there is established vehicle washing arrangement as part of the operating procedures. After unloading their refuse cargo, RCVs need to go through the vehicle washing system to have their vehicle bodies/wheels washed before leaving the facility premises, to minimize their impact on the surrounding environment.

Residential Property Projects with Green Features

8. **DR FERNANDO CHEUNG** (in Chinese): *President, at the Legislative Council meeting held on 26 April this year, the Government, in its answer to my question about the residential property projects that had been granted additional floor areas for green features since the implementation of the policy to promote the construction of green and innovative buildings, pointed out that 117 projects were involved. Will the Government provide information on those projects in the following table?*

Project Name	Area of green features exempted from the calculation of gross floor area (GFA) of the project (sq m)		Green features involved	Amount of premium that has been/will be paid for the green features (\$)	Current market value of the additional floor areas (\$)
	(premium payment required)	(no premium payment required)			
1.					
2.					
3.					
4.					
117.					

SECRETARY FOR HOUSING, PLANNING AND LANDS (in Chinese): President, according to the Joint Practice Note (JPN) Nos. 1 and 2 issued respectively in February 2001 and February 2002 by the Buildings Department, the Lands Department (LandsD) and the Planning Department, incentives are provided to encourage the incorporation of green features in building developments by exemption of the green features from the calculation of GFA. Prior to the implementation of the policy to promote green buildings, various stakeholders, including professional institutes, the industry and the relevant Legislative Council panel have been consulted.

As previously explained by the Administration, not all green features would attract land premium. Land premium is generally payable in respect of those green features that form part of the individual flats in the building and are for the exclusive possession and enjoyment of the owners and residents. These green features include balconies, utility platforms and non-structural prefabricated external walls. Other green features which are communal in nature serving all owners and residents of the development and do not involve exclusive possession and enjoyment by owners of the individual flats (for example, wider common corridors and lift lobbies, communal sky gardens and mail delivery room with mail boxes) are not subject to the payment of land premium. Subject to the relevant lease conditions, payment of land premium may be required in respect of the exemption of GFA of the relevant type of green features.

We have informed the Legislative Council in our reply to the question raised in April 2006 that 117 residential projects with green features had been completed since the implementation of the policy. As providing the requested breakdown of GFA for green features in the 117 residential projects would involve a massive amount of work and manpower to retrieve relevant information from land premium payment records, lease documents and approved building plans and detailed checking to ensure accuracy, we have difficulty in acceding to the request. Besides, the amount of premium where payable for each case was calculated based on standard rates as promulgated in the relevant Practice Notes of the LandsD at the time when permission for GFA exemption was granted. Such standard rates are subject to annual review. As such, it would be inappropriate and misleading to compare the level of land premium, which were paid at different points in time, among these past cases.

Notwithstanding the above, we have retrieved the requested information on GFA and premium paid for green features for five recent residential developments as set out in the Annex, to serve as examples for reference.

We have not provided the current market values for the green features as it is inappropriate to assess the current market values of the green features and compare with the amount of premium paid for those features. Firstly, not all of the green features attract payment of premium. Secondly, current market values and the premium paid for green features are assessed at different points in time. Thirdly, current market values are assessed based on the prices of completed units while premium reflects the land value.

Annex

<i>Examples</i>	<i>GFA Exemptions for Green Features in Relevant Residential Developments</i>				
	<i>Payment of Premium Required</i>			<i>Payment of Premium not Required</i>	
	<i>Green Features Involved</i>	<i>GFA (sq m)</i>	<i>Premium Paid (\$)</i>	<i>Green Features Involved</i>	<i>GFA (sq m)</i>
1	Balconies	16.12	130,100	-	-
2	Balconies, utility platforms	1 581.55	9,703,397	Wider corridors and lift lobbies, communal sky gardens	1 485.79
3	Balconies, utility platforms	3 604.13	54,807,856	Wider corridors and lift lobbies, communal sky gardens, sunshades and reflectors	2 825.49
4	Balconies, utility platforms	32.12	551,500	-	-
5	Balconies, utility platforms	1 050.00	11,190,000	Wider corridors and lift lobbies	333.86

- Notes:
1. The areas shown above are calculated based on the approved building plans of the relevant developments.
 2. As some of the information shown relates to private property developments, we are not in a position to disclose the names of the developments.
 3. The amount of premium payable for the green features is calculated in accordance with standard rates as promulgated in the relevant Practice Notes of the LandsD. As such rates may vary depending on the type of green features, location and time of assessment, the above five examples should not be used for comparison purpose. The relevant LandsD Practice Notes currently in force can be accessed by the public at the LandsD website.

Regulation of Pump Prices

9. **MS EMILY LAU** (in Chinese): *President, members of the public have complained to me that although international crude oil prices have recently fallen from the peak of US\$70-odd to US\$50-odd a barrel, representing a cumulative drop as high as 20%, the local oil companies have only slightly adjusted the pump prices downwards. In this connection, will the executive authorities inform this Council:*

- (a) *of the movements in international oil prices in the last six months, and whether the local pump prices were adjusted in line with the movements in international oil prices in the same period; and*
- (b) *whether it will enact legislation to regulate adjustments of pump prices by oil companies; if so, of the timing for legislation; if not, the reasons for that?*

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

- (a) The international crude oil prices had been on an increasing trend in recent years, and there was notable increase since this April with prices hitting a record high in August. During the past few months, the prices of unleaded petrol and ultra low sulphur diesel (ULSD) in the international market also reached record high levels. Following the drop in crude oil prices since August, the prices of unleaded petrol and ULSD in the international market also fell in the past two months.

We have been monitoring closely trends in international oil prices as well as local retail prices of auto-fuel. We note that changes in local pump prices of auto-fuel have been broadly in line with trend movements of the international oil prices. Nevertheless, prices of refined oil products (such as unleaded petrol and ULSD) are not only affected by crude oil prices, but also subject to various factors, such as the supply and demand in the market, the productivity of the refinery, the costs of raw materials and refinery process as well as the transportation costs, and so on. Therefore, changes in prices of

unleaded petrol and ULSD may not be exactly the same as those of crude oil prices.

Moreover, local pump prices of auto-fuel include not only the import costs and duty, but also discounts offered by oil companies and other operating costs. Therefore, although the adjustments in local pump prices should be broadly in line with trend movements and magnitude of changes in import prices, their respective percentage changes, which are with reference to different bases, will not be exactly the same.

Since September this year, the oil companies have reduced their pump prices taking into account the reduction of import prices. Compared with the high levels, the pump prices of unleaded petrol and ULSD have been reduced cumulatively by \$0.55/litre and \$0.30/litre respectively. We have all along urged the oil companies to reduce their prices whenever there is room for downward adjustment.

- (b) Retail oil prices in Hong Kong are determined by oil companies having regard to international oil prices, commercial practices and their operating costs. The role of the Government is to maintain a steady supply, encourage transparency and enhance competition by removing barriers to entry into the fuel market.

In view of the public's concern about competition in the local auto-fuel retail market, the Competition Policy Advisory Group chaired by the Financial Secretary commissioned in July last year a consultant to conduct an independent and comprehensive study on the competition situation in the auto-fuel market in Hong Kong, and to review if there is any anti-competitive behaviour. The consultant's report was released in April this year.

We note that the consultant had concluded, after detailed examination of the structure, operating costs and retail pricing of the local auto-fuel retail market, that there was no clear evidence of collusion by the oil companies in setting prices for auto-fuel. Nevertheless, the consultant recommended that the Government should consider preventive measures against cartel behaviour, either

through general or sector-specific competition laws. We are also concerned about the consultant's observation on the potential for collusion in the local market. We will consider further measures to promote competition in the auto-fuel market in the light of the consultant's recommendations.

The Competition Policy Review Committee recommended in its report on the review of Hong Kong's competition policy published earlier that a cross-sector competition law, which would prohibit specific types of anti-competitive conduct, should be introduced. The Government has carefully considered the relevant recommendations and will issue a public consultation document before the end of this year to seek public views on this subject.

Co-operation Between Hong Kong and Guangzhou in Financial Business

10. **MR WONG TING-KWONG** (in Chinese): *President, it has been reported that the Guangzhou Municipal Government, having set down an objective to establish a regional financial centre with international influence by 2020 and proposed to inject RMB 180 billion yuan for the development of the financial hub in Zhujiang Xincheng, intends to co-operate with Hong Kong in taking forward the plans for the financial industries concerned. In this connection, will the Government inform this Council:*

- (a) *whether the officials of the planning department of the Guangzhou Municipal Government have made any proposal to the Government of the Hong Kong Special Administrative Region (SAR) on co-operation in the financial domain in relation to the above plans;*
- (b) *whether it has conducted any study on how Hong Kong can effectuate a complementary function should Guangzhou become a regional financial centre with international influence; if so, of the details; and*
- (c) *whether it has conducted any study or assessment on the possible competition to and impact on Hong Kong arising from Guangzhou's enhanced efforts in developing its international financial business; if so, of the results?*

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Chinese): President,

- (a) As far as I am aware, the relevant authorities of Guangzhou have not contacted the Financial Services and the Treasury Bureau or the other relevant bureaux/departments (such as the Constitutional Affairs Bureau and the Planning Department) of the SAR Government on the development of the "financial hub in Zhujiang Xincheng" as mentioned by the Member.
- (b) Our objective is to give full play to our role as the Mainland's capital formation and investment platform. Therefore, we have all along attached great importance to co-operation with the Mainland, including Guangdong Province, in the area of financial services with a view to promoting economic development in both places. I led a delegation comprising representatives of the Securities and Futures Commission, Hong Kong Exchanges and Clearing Limited (HKEx) and the securities industry to visit Guangdong Province as early as 2003. During the visit, we called on the leaders of the Guangzhou Municipal Government and participated in a conference organized by the HKEx to promote listing in Hong Kong. The purpose was to enhance communication between the two places in the area of securities market development, and to promote the financial services available in Hong Kong.

Looking ahead, we will continue to maintain liaison with the relevant authorities of Guangdong Province through the Hong Kong/Guangdong Co-operation Joint Conference to support and promote financial co-operation between the two places, thereby achieving a win-win situation by complementing each other's strengths.

- (c) Expediting financial reform on the Mainland and the maintenance of the status of Hong Kong as an international financial centre are two stated policy directions in the 11th Five-Year Plan. On the other hand, we understand that the outline of Guangdong's 11th Five-Year Plan has also proposed to rigorously develop its financial services sector. The proposal includes promoting the establishment of regional financial centres in such cities as Guangzhou. In addition,

Guangdong has proposed specific policy measures for implementing the country's 11th Five-Year Plan, which include exploring reforms for local financial system, improving financial sector supervision, and so on.

In fact, the reforms of the financial system and the development of financial services undertaken by mainland cities (including Guangzhou) may pose challenges to Hong Kong's status as an international financial centre. However, if Hong Kong can respond to the needs of the Mainland, the development of the Mainland's financial industry present abundant opportunities for Hong Kong. To explore ways of meeting the challenges and seizing the new opportunities, the Chief Executive convened the Economic Summit on "China's 11th Five-Year Plan and the Development of Hong Kong" on 11 September 2006. Market practitioners, professionals and academics were invited to provide suggestions on ways to further consolidate and strengthen Hong Kong's position as an international financial centre. The Focus Group on Financial Services is now conducting an in-depth study of these issues, including ways to strengthen our integration with the mainland economy to better serve the financial intermediation needs of the large mainland economy.

I would like to emphasize that we benchmark Hong Kong's financial markets against the world's top ranking cities in setting our targets, so as to fully deploy our strengths in contributing to the Mainland's financial reforms. We will continue to embrace the same principle when considering the challenges and opportunities presented to Hong Kong by the development of Guangzhou and other mainland cities and exploring co-operation opportunities with these cities.

Mainland Under-age Girls Engaging in Prostitution in Hong Kong

11. **MISS CHOY SO-YUK** (in Chinese): *President, will the Government inform this Council:*

- (a) *of the number of under-age girls arrested by the police in each district for suspected prostitution, the number of such girls who had*

come to Hong Kong on Two-way Permits issued by the Mainland, and the number of convictions, as well as the penalty imposed, in each of the past three years;

- (b) whether it has discussed with the mainland authorities the problem of mainland under-age girls engaging in prostitution in Hong Kong and strengthened the co-operation with them with a view to further combating vice-operators; if it has, of the details of the discussion; if not, the reasons for that; and*
- (c) whether it knows if the parents or guardians of those mainland girls who have been discovered to have engaged in prostitution in Hong Kong will be penalized for child neglect?*

SECRETARY FOR SECURITY (in Chinese): President,

- (a) From 2003 to 2005, the police did not come across any case of girls under the age of 16 involved in prostitution. As for the period from January to September of 2006, there were two such cases and they did not involve mainland visitors. Investigation of the cases is still ongoing and no person has been convicted for the time being.
- (b) Since the situation of prostitution involving mainland under-age girls in Hong Kong is not serious, the Administration has not liaised with the respective mainland authorities specifically in this regard. Notwithstanding, the law-enforcement departments of the Government of the Hong Kong Special Administrative Region have been maintaining close liaison and co-operation with the mainland authorities, through targeting organized vice syndicates and tackling the problem at source, as well as carrying out more intelligence-led operations on different levels to combat vice activities so as to minimize the chance of entry of doubtful visitors.
- (c) If a girl's parents, guardians or other persons have been involved in controlling the girl for prostitution in Hong Kong, they will contravene section 130 of the Crimes Ordinance (Cap. 200). The police will take appropriate action having regard to the situation of each case.

Separation of Prescribing from Dispensing of Drugs

12. **DR JOSEPH LEE** (in Chinese): *President, at its meeting on 28 June 2005, the Panel on Health Services of this Council discussed with the Administration the implementation of the separation of prescribing from dispensing of drugs (SPD) and urged the Administration to proactively consider the promulgation of a policy on SPD. Given that recently there was another incident of dispensing error and suspected use of unregistered drugs by a doctor in private practice, will the Government inform this Council:*

- (a) *whether it has drawn up guidelines for private clinics on the procedures of drug purchase and dispensing; if it has, of the contents of the guidelines, and whether it will review the effectiveness of such guidelines in view of the recurrence of the incident of dispensing error; if it will, of the details; if not, the reasons for that;*
- (b) *whether it has studied a policy on SPD and formed an ad hoc group on SPD; if it has, of the details; if not, the reasons for that; and*
- (c) *whether it has considered the difficulties in meeting the short-term, interim and long-term targets in the future implementation of SPD, the ancillary measures required, and the corresponding solutions and arrangements; if it has, of the details?*

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

- (a) Safe dispensing of drugs has always been of primary concern to the Administration. To further ensure the protection for patients, the Medical Council of Hong Kong (the Medical Council) conducted in July 2005 a review of the provisions on drug dispensing in its Professional Code and Conduct for the Guidance of Registered Medical Practitioners (the Code). The revised provisions were published in Issue No. 11 of the *Newsletter* of the Medical Council in August 2005. Under the revised section 10.1 of the Code, a medical practitioner who dispenses medicine to patients has the personal responsibility to ensure that the drugs so dispensed are

strictly in accordance with the details in the prescription and are properly labelled before the drugs are handed over to the patients. The Code also requires medical practitioners to lay down appropriate procedures to ensure that the drugs are properly labelled and correctly dispensed, and follow the Good Dispensing Practice Manual issued by the Hong Kong Medical Association. Medical practitioners must supervise the entire dispensing procedure and ensure that their staff comply with such procedures. The Medical Council may consider taking disciplinary action against registered medical practitioners who are in breach of the above requirements. The Hong Kong Medical Association is also reviewing its Good Dispensing Practice Manual and will collect views from medical practitioners with a view to making appropriate changes to the Manual.

(b) and (c)

Currently, patients have the right to ask their doctors at private clinics for a prescription and obtain the drugs from pharmacists in community pharmacies. SPD could have far-reaching implications on, amongst others, the current role of doctors in solo-practice, manpower demand for pharmacists and medical expenditure of members of the public, and may involve a major change of patient behaviour, the matter would require a thorough discussion by the stakeholders and the community as a whole. We consider that the well-being of patients overrides and any changes to be introduced should be conducive to the co-operation between doctors and pharmacists. A consensus should be reached by members of the community before any major change should be made. We will continue to listen to the views of all the stakeholders.

Promotion of Breast-feeding of Babies

13. **MR FREDERICK FUNG** (in Chinese): *President, regarding the promotion of breast-feeding of babies, will the Government inform this Council:*

- (a) *of the number of breast-fed new-born babies, and its percentage in the total number thereof, in each of the past five years;*

- (b) *whether it has assessed the effectiveness of its efforts in promoting breast-feeding; if so, of the assessment results;*
- (c) *as the Consumer Council has pointed out that certain practices currently adopted by the marketing agents of some milk powder products (for example, using such promotional messages as "close to breastmilk" or "new formula even closer to breastmilk" on the packaging of baby milk powder products, or promoting their products through advertisements or other means) are not in compliance with the International Code of Marketing of Breastmilk Substitutes (the Code), whether the Government will consider implementing the provisions of the Code by way of legislation; and*
- (d) *as the absence of baby-sitting rooms in most shopping malls, parks and public facilities under the management of the Government is not conducive to the promotion of breast-feeding, whether it will comprehensively review the situation and consider providing baby-sitting rooms in the public facilities under its management and amending the legislation on buildings to require the provision of such rooms in public places?*

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

- (a) The delivery rooms of all hospitals in Hong Kong make regular reports on the percentage of discharged babies who had been breastfed to the Department of Health (DH). These reports show that the percentage increased from 60.1% in 2001 to 68.9% in 2005. Details are as follows:

	<i>Year</i> <i>2001</i>	<i>Year</i> <i>2002</i>	<i>Year</i> <i>2003</i>	<i>Year</i> <i>2004</i>	<i>Year</i> <i>2005</i>
Number of discharged babies who had been breastfed	28 967	30 646	29 467	32 821	39 354
Percentage of discharged babies who had been breastfed	60.1%	63.5%	62.6%	65.9%	68.9%

In addition, the DH carries out regular breastfeeding surveys in its maternal and child health centres (MCHCs). Based on the replies of the survey respondents, it is found that during the period from 2001 to 2004, the percentage of breastfed babies increased from 64% to 69%. The detailed figures are tabulated below.

	<i>Year 2001</i>	<i>Year 2002⁽¹⁾</i>	<i>Year 2004</i>
Percentage of babies who had been breastfed	64%	67%	69%

Note (1): The survey has been conducted every two years since 2002.

- (b) The above figures show a rising trend of breastfeeding in Hong Kong. According to the findings of the breastfeeding surveys conducted regularly by the DH in its MCHCs, between 2001 and 2004, the percentage of babies breastfed continuously for four months and six months increased from 20% to 25% and from 15% to 17% respectively, while the percentage of babies exclusively breastfed for four to six months or beyond increased from 9% to 12%, indicating an increase in the period of breastfeeding. All this shows that the efforts of the DH, Hospital Authority (HA) and other stakeholders in promoting breastfeeding are paying off to a certain extent.
- (c) The United Nations World Health Assembly recommends all member states to implement the Code through different means. The Code stipulates that milk powder manufacturers and distributors should regard themselves as responsible for monitoring their marketing practices according to the aim and principles of the Code. The DH has been in close liaison with some non-governmental organizations (NGOs), such as Baby-friendly Hospital Initiative Hong Kong Association, to monitor the milk powder dealers against any violation of the Code. In the event that a dealer is found in violation of the Code, the NGO concerned will write to remind the dealer of the stipulations of the Code. In addition, the HA is planning to purchase milk powder by tender and all tenderers are subject to the stipulations of the Code.

- (d) The DH is committed to promoting, protecting and supporting breastfeeding and has formulated a "Breastfeeding Policy" to create supportive environment for breastfeeding. To provide privacy for breastfeeding, the existing 31 MCHCs under the DH have set up breastfeeding rooms or areas where facilities such as comfortable seating, washing basin and electric outlet (for breast pump) are provided. We will also consider holding talks with other government departments and the private sector to explore the feasibility of setting up more breastfeeding places.

Drug-resistant Tuberculosis

14. **DR RAYMOND HO** (in Chinese): *President, it has been reported that a new strain of highly drug-resistant tuberculosis (TB) has emerged and spread extensively across the world, posing great treatment difficulties. In this connection, will the Government inform this Council whether:*

- (a) *any cases of drug-resistant TB have been reported in Hong Kong; if so, of the percentage of such cases in the total number of TB cases; and*
- (b) *the authorities have formulated any measures to prevent drug-resistant TB from spreading in Hong Kong; if so, of the details of such measures?*

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

- (a) The incidence of drug-resistant TB cases in Hong Kong can be traced back to the 1950s and the 1960s. Of all the cases of drug-resistant TB, multidrug-resistant TB (MDR-TB) (resistant to at least two main first-line anti-TB drugs) merits our attention. Among MDR-TB cases, extensive drug-resistant TB (XDR-TB) (resistant to first-line drugs as well as some second-line drugs) is currently a cause of concern for the World Health Organization (WHO).

Generally speaking, both the number and percentage of local drug-resistant TB cases are on a downward trend. Drug-resistant TB cases currently account for about 10% of the bacteriologically-positive cases (that is, cases where TB bacteria can be successfully cultured from patient's sputum) in Hong Kong (the percentage was 11.8% for 2000, and the provisional figure was 10.9% for 2005). In these cases, however, the bacteria is usually resistant to some first-line drugs only, and can be treated with other first-line drugs. The percentage of MDR-TB remains low at about 1% (the percentage was 1.2% for 2000, and the provisional figure was 0.6% for 2005). With a relatively low incidence (some three cases per year on average), XDR-TB has remained at around 0.1% in recent years.

- (b) The Administration has formulated and implemented measures to prevent the spread of drug-resistant TB in Hong Kong. The measures include :

(i) *Effective treatment*

Effective treatment is the best way to prevent the spread of TB in Hong Kong. Through "Directly Observed Treatment" (DOT), the Department of Health (DH) ensures that TB patients take medication regularly and complete the course of drug therapy so as to minimize the emergence of drug-resistant TB. Second-line drugs will be used in cases where there is resistance to first-line drugs.

(ii) *Close surveillance*

The DH keeps close track of the latest trend of TB in Hong Kong through its TB surveillance system and takes timely intervention where necessary to combat the disease. In addition, the TB Reference Laboratory under the Centre for Health Protection of the DH, accredited by the WHO as a Supranational TB Reference Laboratory, can provide quality TB testing services, including drug susceptibility tests. The Laboratory supports the DH's work on treatment and surveillance.

(iii) *Health Education*

Our health education on TB prevention is on two fronts. On the one hand, we educate TB patients about the need to adhere to treatment courses, wear surgical masks in public places and observe personal hygiene. On the other hand, we enhance the public's understanding of TB and encourage them to stay healthy and strong by observing hygiene and adopting a healthy lifestyle through various programmes such as health education, professional TB manual, seminars and exhibitions, and so on.

Information Technology in Education Strategy

15. **MR SIN CHUNG-KAI** (in Chinese): *President, the Education and Manpower Bureau issued a policy document entitled "Empowering Learning and Teaching with Information Technology" in July 2004 as the Second Information Technology (IT) in Education Strategy (the Second Strategy) for the three school years from 2004-2005 to 2006-2007. In this regard, will the Government inform this Council:*

- (a) *taking the IT grant allocated by the Education and Manpower Bureau to schools as the base, of the respective percentages of average expenses by each school in the past two school years on purchasing or repairing IT hardware, employing IT Co-ordinators, developing or setting up e-learning platforms or associated systems, purchasing digital-learning materials, as well as daily expenses on other IT-related services and consumables;*
- (b) *given that the Second Strategy is drawing to its end, whether it will make reference to past experience and commission a research institute to conduct an overall study on the progress and effectiveness of the implementation of the Second Strategy;*
- (c) *whether it has any plan to implement the Third Strategy; if it has, how it will enhance the gauging of views, especially those from the IT sector, in the course of formulating the new strategy; and of the relevant details and timetable; and*

- (d) *whether it will devise a set of indicators to assess the adeptness of primary and secondary schools in applying IT in e-learning, use of digital teaching materials, and school management, so as to further assist schools in setting the directions and focuses for their IT education and e-learning development plans; if it will, of the details; if not, the reasons for that?*

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

- (a) Public sector schools may apply to the Government for cash grants to implement measures under the Second Information Technology in Education (ITEd) Strategy. In the past two school years (2004-2005 and 2005-2006), the Government disbursed, upon successful applications, one-off special cash grants of \$154.51 million in total to 920 public sector schools, that is, \$168,000 per school on average, to implement the Second ITeD Strategy. These grants are used by schools for non-recurrent expenditure items such as purchase of IT hardware. The table below shows the breakdown of the expenditure of the non-recurrent grants by a school on average over the past two school years.

<i>Items of non-recurrent expenditure</i>	<i>Amount</i>	<i>%</i>
Purchase of IT hardware	\$149,000	88.7%
Developing or setting up e-learning platforms or associated systems	\$6,800	4.0%
Purchase of digital learning materials	\$8,900	5.3%
Training programmes for parents	\$3,300	2.0%
Total (for two school years 2004-2005 and 2005-2006)	\$168,000	100%

In addition, the Government disbursed, upon successful applications, recurrent grants of \$507.6 million in total to 1 019 public sector schools, that is, \$498,100 per school on average, in the past two school years to meet recurrent expenses on ITeD such as maintenance and repair of IT hardware and daily expenses on other IT-related services and consumables. The table below shows the breakdown of the expenditure of the recurrent grants by a school on average in the past two school years.

<i>Items of recurrent expenditure</i>	<i>Amount</i>	<i>%</i>
Hiring of technical personnel or services	\$286,100	57.5%
Maintenance and repair of IT hardware	\$51,000	10.2%
Daily expenses on other IT-related services and consumables (for example, subscription to Internet access service, purchase of consumables such as printer ink cartridges)	\$161,000	32.3%
Total (for two school years 2004-2005 and 2005-2006)	\$498,100	100%

- (b) Similar to the evaluation of the First ITed Strategy, we have commissioned tertiary institutions to evaluate the progress and effectiveness of the Second ITed Strategy in two phases. In phase one (from May 2005 to June 2007), the Hong Kong Institute of Education is commissioned to conduct surveys to compile a database on the implementation of the Strategy for systematic review and monitoring. The data include IT competency of teaching staff and adequacy of IT facilities in schools. In phase two (from January 2006 to August 2007), the University of Hong Kong is commissioned to evaluate the overall effectiveness of the Strategy with a focus on the impact of IT on empowering students' learning in selected key learning areas, and to recommend the way forward beyond the 2006-2007 school year.
- (c) We are formulating the Third ITed Strategy with a view to consulting the public in the second half of 2007. We will involve the Steering Committee on Strategic Development of ITed, which comprises representatives from different sectors including the IT sector, in the formulation of the Strategy.
- (d) One of the proposed focuses of the Third ITed Strategy is supporting schools to sustain the use of IT in enhancing students' learning. We will encourage schools to chart their own ITed development plans and conduct data-driven, evidence-based self-evaluation to assess their effectiveness. To this end, we will develop tools and indicators for schools' reference, in respect of students' learning outcomes, school leadership, teachers' pedagogical practices and related professional development, e-learning and IT infrastructure. Details will be included in the Third ITed Strategy.

Regulation of Internet Remarks Advocating Terrorist Attacks or Threatening Public Safety

16. **MR LAU KONG-WAH** (in Chinese): *President, regarding the regulation of disseminating on the Internet remarks advocating terrorist attacks or threatening public safety, will the Government inform this Council:*

- (a) *of the existing legislation regulating such acts;*
- (b) *whether the authorities will consider amending legislation to step up efforts to combat such acts; if not, the reasons for that; and*
- (c) *of the countries which currently have legislation prohibiting such acts, and whether the authorities know the number of persons convicted of breaching the relevant legislation in these countries over the past three years, as well as the nature of such cases?*

SECRETARY FOR SECURITY (in Chinese): *President,*

- (a) In general, legislation governing such acts as terrorist attacks and other unlawful behaviour also covers acts carried out with an intention of furthering such attacks and behaviour. Whether the dissemination of messages constitutes an act carried out with an intention of furthering such attacks and behaviour will obviously depend on the facts of the case.
- (b) In view of (a), we do not consider it necessary to introduce new legislation in this area.
- (c) We have not conducted any in-depth research into such legislation in other countries and the enforcement experience of such legislation.

Working Hours of Public Hospital Doctors

17. **DR KWOK KA-KI** (in Chinese): *President, the Hospital Authority (HA) announced on 4 October the establishment of a Steering Committee on Doctor*

Working Hour to review the working hours of public hospital doctors. Some doctors have relayed to me that they are worried that without the Government's policy support, any effort in reviewing the matter would only be futile. In this connection, will the Government inform this Council:

- (a) whether it has set a target for doctors' working hours; if it has, of the target set and the grounds for setting such a target;*
- (b) whether it will increase its funding allocation to the HA in the coming year, so as to provide the HA with more resources for recruiting additional staff to implement the reduction of public hospital doctors' working hours to a reasonable level; and*
- (c) apart from the establishment of a committee to review doctors' working hours, whether any other policies are in place to facilitate the reduction of doctors' working hours to a reasonable level?*

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

- (a) The Government has not set any target for the number of working hours per week for doctors under the employment and management of the HA. Pursuant to para 10(1) in Schedule 3 of the Hospital Authority Ordinance (Cap. 113), the HA shall determine the terms and conditions of employment of its employees. The only exception is the employment of its Chief Executive, which requires the approval of the Chief Executive of the Hong Kong Special Administrative Region. The Government respects the powers vested in law to the HA, but will continue to closely monitor the workload and working hours of public hospital doctors.
- (b) The Government has already committed in this year's Budget to increase recurrent funding for the HA for 2007-2008 by about \$300 million. It will be a matter for the HA to decide how the new resources should be deployed, including whether to recruit additional staff.

- (c) We understand that the HA has already started examining ways to improve arrangements for ward rounds and on-call duties by doctors with a view to progressively reducing the working hours of doctors to a level not exceeding 65 hours per week in three years as well as the excessively long continuous working hours of doctors in certain specialties to a more reasonable level. As the work nature of doctors in different specialties differs diversely, and trainee doctors also need to attain specific practical experience requirements for different Specialty Colleges under the Hong Kong Academy of Medicine, these reviews will require a series of consultation with all concerned stakeholders. The results of the reviews, and other proposals that may emerge, will be submitted to the HA's Steering Committee on Doctor Working Hour for consideration.

Operation of Pedestrian Traffic Light Signals

18. **MR ALBERT CHENG** (in Chinese): *President, some members of the public have reflected to me that in order to ease the traffic flow and increase the volume of vehicular flow in urban areas, pedestrians have to wait a long time for the change of traffic light signals in some districts, while the duration of the steady green signal of pedestrian traffic lights is too short. Moreover, there are safety islands in the middle of some roads, hence pedestrians have to wait for the change of traffic light signals twice before they can cross the entire road. In this connection, will the Government inform this Council:*

- (a) *of the number of complaints received in the past three years about the short duration of the steady green signal of pedestrian traffic lights;*
- (b) *whether it will consider shortening the time that pedestrians have to wait for the change of traffic light signals and extending the duration of the steady green signal of pedestrian traffic lights during off-peak hours; and*
- (c) *whether it will review the arrangements for pedestrian traffic light signals in districts with heavy pedestrian traffic, with a view to striking a more rational balance between easing the vehicular flow and facilitating pedestrian movement?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS (in Chinese): President, in 2003, 2004 and 2005, we received 315, 436 and 423 complaints concerning pedestrian traffic lights respectively. We do not have the breakdown of complaints concerning the short duration of the green signal of pedestrian traffic lights.

Currently, over 90% of the traffic lights in urban areas are computerized. Different signal durations and cycle times are set according to the pedestrian and vehicular flows at road junctions during different time periods. During off-peak hours, the traffic light signal times would be shorter so as to shorten the pedestrians' waiting time and to extend the duration of the green signal of pedestrian traffic lights.

We will continue to monitor closely the pedestrian and vehicular flows at major road junctions, as well as the views of road users. We will also review the control modes of traffic lights from time to time with a view to striking a balance between easing vehicular flow and facilitating pedestrian movement.

Sexual Abuse of Children

19. **MS EMILY LAU** (in Chinese): *President, will the executive authorities inform this Council:*

- (a) *of the number of children under the age of 16 who were reported to have been sexually abused in each of the past three years, broken down by the offences involved;*
- (b) *of the number of persons convicted of sexually abusing children under the age of 16 in each of the past three years and, among them, the number of those who had been involved in sex crimes and the number of those who were engaged in work allowing close contacts with children when the crimes were committed; and*
- (c) *whether it has considered setting up a database on offenders of sex or paedophile crimes; if so, of the relevant details; if not, the reasons for that?*

SECRETARY FOR SECURITY (in Chinese): President,

- (a) From 2003 to 2005, the number of children under the age of 16 who were reported to have been sexually abused with breakdown by offences is as follows:

<i>Offences</i>		2003	2004	2005
Rape		18	24	28
Indecent assault		279	285	369
Buggery		2	3	2
Unlawful sexual intercourse	Under 13	10	25	21
	Under 16	198	200	172
Incest		1	5	4
Indecent conduct towards child under 16		24	32	15
Others ⁽¹⁾		3	2	1
Total		535	576	612

Note: ⁽¹⁾ Others include offences of gross indecency; controlling over persons for purpose of unlawful sexual intercourse or prostitution; causing or encouraging prostitution of, intercourse with, or indecent assault on, girl or boy under 16; and intercourse with mentally incapacitated person.

- (b) From 2003 to 2005, the number of persons convicted of sexually abusing children under the age of 16 is as follows:

<i>Offences</i>		2003		2004		2005	
		<i>Persons prosecuted</i>	<i>Persons⁽¹⁾ convicted</i>	<i>Persons prosecuted</i>	<i>Persons⁽¹⁾ convicted</i>	<i>Persons prosecuted</i>	<i>Persons⁽¹⁾ convicted</i>
Rape		5	3	4	3	5	1
Indecent assault ⁽²⁾		95	70	110	75	108	84
Buggery		2	1	2	2	0	0
Unlawful sexual intercourse ⁽²⁾	Under 13	4	4	12	11	11	8
	Under 16	119	106	82	69	84	76
Incest		1	1	1	1	3	2

<i>Offences</i>	<i>2003</i>		<i>2004</i>		<i>2005</i>	
	<i>Persons</i>	<i>Persons⁽¹⁾</i>	<i>Persons</i>	<i>Persons⁽¹⁾</i>	<i>Persons</i>	<i>Persons⁽¹⁾</i>
	<i>prosecuted</i>	<i>convicted</i>	<i>prosecuted</i>	<i>convicted</i>	<i>prosecuted</i>	<i>convicted</i>
Indecent conduct towards child under 16 ⁽²⁾	9	9	7	3	9	6
Intercourse with mentally incapacitated person	0	0	1	1	0	0
Total	235	194	219	165	220	177

⁽¹⁾ Figures do not include cases in which a person is convicted of other offences or acquitted but bound over after trial.

⁽²⁾ In general, apart from court procedures, some juvenile offenders who committed indecent assault, unlawful sexual intercourse and indecent conduct towards child under 16 were dealt with by way of Police Superintendents' Discretion Scheme (PSDS). (This scheme allows a police officer of or above the rank of Superintendent to issue a caution to a juvenile offender under 18 years of age rather than initiate a criminal prosecution.) In 2003, 2004 and 2005, the total number of juveniles who committed indecent assault, unlawful sexual intercourse and indecent conduct towards child under 16 dealt with by way of PSDS is 71, 89 and 118 respectively.

The police statistical information system currently does not capture classification with regard to the previous criminal records of convicted persons, and therefore for those convicted with sexual offences against children, the police also do not have any classification based on whether they have previously been engaged in sex crimes. The police also do not maintain statistical figures in relation to the number of convicted persons who were engaged in work allowing close contacts with children when the crimes were committed.

- (c) The Chairman of the Law Reform Commission (LRC) (the Secretary for Justice) and the Chief Justice have agreed to expand the terms of reference of the LRC's review of sexual offences to include consideration of whether a "sex offenders register" should be established in Hong Kong. We have no doubt the Commission and its Review of Sexual Offences Subcommittee will carefully consider all relevant legal considerations, including privacy

concerns, in their deliberations on the desirability and feasibility of setting up such a register. The Administration will carefully consider any proposal which is put forward by the LRC on the issue.

Tax Concession for Electric-petroleum Hybrid Saloon Cars

20. **MR FREDERICK FUNG** (in Chinese): *President, in his recently delivered policy address, the Chief Executive proposed a 30% reduction in first registration tax (FRT) (subject to a ceiling of \$50,000) for newly registered vehicles with low emissions and high fuel efficiency. It has been reported that some models of electric-petroleum hybrid saloon cars (hybrid saloons) will be eligible for this tax concession measure. In this connection, will the Government inform this Council:*

- (a) *of the details of the measure and its implementation timetable, including how "low emissions and high fuel efficiency" is defined, the types and models of vehicles which are eligible, and the measures to ensure that the benefit to vehicle buyers from this tax concession measure will not be offset by a corresponding increase in vehicle prices by vehicle sellers;*
- (b) *whether it has assessed the impact of the tax concession measure on the competitiveness of hybrid saloons; if so, of the assessment results, including the results of a comparison in prices with traditional vehicles, and the estimated number of vehicle owners who will be attracted to switch to hybrid cars by the tax concession measure;*
- (c) *whether it has assessed the latest supply situation of hybrid saloons and their cost effectiveness; if so, of the assessment results; whether it will consider introducing other concessionary measures (for example, remission of the annual licence fees) to encourage members of the public to switch to these types of saloons; and*
- (d) *whether it will consider setting the respective target percentages of hybrid saloons in the saloons to be used by the Government and the community in the next few years; if so, of the targets; if not, the reasons for that?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS

(in Chinese): President,

- (a) The Government plans to encourage the purchase of environment friendly private cars through a 30% reduction in the FRT starting from 1 April 2007, subject to a ceiling of \$50,000 per vehicle. The proposed tax concession is applicable to private cars that meet both of the following two conditions:
- (1) the hydrocarbons (HC) and nitrogen oxides (NO_x) emissions of the cars do not exceed 50% of the following standards:
 - (i) the Euro IV emission standards; or
 - (ii) the Japan 2005 emission standards; and
 - (2) the fuel efficiency (measured by the mileage travelled with a litre of fuel) of the cars should be at least 40% better than the average fuel efficiency of vehicles of the same class by weight.

We will review annually the above standards in the light of technological advancement so that the tax concession will be restricted to vehicles of outstanding emission and fuel efficiency performance. We are now consulting relevant trades on the above scheme. We will publish the private car models meeting the qualifying criteria before the tax concession comes into effect.

Market competition provides the best guarantee for consumers to benefit from the tax concession. Based on the information at hand, we estimate that over ten private car models in the market could meet the criteria. The scheme will also encourage the introduction of more environment friendly private cars into the local market, thus further increasing the supply and market competition.

- (b) Although petrol-electric hybrid private cars (hybrid private cars) are generally more expensive than their petrol counterparts, the 30% reduction in FRT by the Government, together with fuel savings, should be sufficient to make them more attractive. That said, price

is only one of the considerations for car owners in purchasing cars. Other factors such as car model and equipment may also have a bearing on their choices. Therefore, it is difficult for us to predict the ultimate number of vehicle owners who will be attracted to switch to hybrid private cars by the tax concession measure.

- (c) At present, five models of hybrid saloons are available in the local market. In April 2005, the Government commenced trials of one of the models and the findings reveal that the fuel consumption of the hybrid saloon is about 50% lower than that of an ordinary saloon with the same power output. Calculation based on the average mileage of a private car (about 12 500 km per year) shows that about \$11,200 can be saved on fuel per annum. The findings also indicate that the maintenance cost of that hybrid model is about the same as an ordinary saloon.

A reduction in the FRT should provide sufficient incentive already and we have no plans at present to launch other concession measures.

- (d) As mentioned in (b), price is only one of the considerations to car owners in purchasing cars. Therefore, it is difficult for us to set a target percentage of hybrid private cars among all the saloons in Hong Kong. However, the Government will set an example by giving priority to environment friendly private cars as and when saloons in the government fleet are due for replacement, subject to operational requirements and the rational utilization of resources.

MEMBERS' MOTIONS

PRESIDENT (in Cantonese): Members' motions.

Motion of Thanks. Ms Miriam LAU will move the motion. I have accepted the recommendations of the House Committee. Ms Miriam LAU will have up to 15 minutes for moving her motion and in reply and another five minutes to speak on the two amendments. Subject to the overall 30-minute speaking time limit for each Member, a Member may speak in one or more of the five debate sessions. All Members may each speak once in each session.

In each session, I will first call upon those Members who wish to speak to speak. Council will then be suspended for 10 minutes for the Administration to co-ordinate its response. Only designated public officers may speak when Council resumes. The total speaking time limit for designated public officers in each session will depend on the number of speakers, but the minimum is 45 minutes.

At the conclusion of the five debate sessions, Ms Miriam LAU may speak on the two amendments and in reply.

MOTION OF THANKS

MS MIRIAM LAU (in Cantonese): Madam President, in my capacity as Chairman of the House Committee, I move the motion "That this Council thanks the Chief Executive for his address."

The Chief Executive's policy address is brief and concise, but great lengths were devoted to the need to foster family harmony and social harmony. I also very much agree to the importance of enhancing good relations. As far as the Legislative Council is concerned, Members of this Council will undoubtedly engage in heated exchanges with government officials in the course of discharging our duties of monitoring administration by the Government, but on the whole, this Council does earnestly hope and has been working very hard to maintain a good partnership relation with the Administration, with a view to fostering social harmony together and working for the best interest of Hong Kong people. I wish to cite a couple of examples to show the effort made by this Council in this regard.

I believe the memory of the passage of the Interception of Communications and Surveillance Bill in August this year is still very much fresh in our minds. Since this Bill is very complicated and controversial, the Bills Committee concerned convened 53 meetings within a short span of only five months, whereas the President of this Council very exceptionally approved the holding of an additional Council meeting on 2 August to resume the Second Reading debate on the Bill. As a result, a regulatory regime governing the conduct of interception of communications and the use of surveillance devices by law enforcement officers has been put in place.

The passage of the Smoking (Public Health) (Amendment) Bill 2005 last week is another example illustrating the tireless efforts made by this Council in ensuring the implementation of anti-smoking initiatives as early as next January to protect the public from second-hand smoke. The Bills Committee held a total of 57 meetings to scrutinize the Bill and collect views, thereby enabling the Bill to be passed at the first regular Council meeting of this Legislative Session eventually.

On the other hand, the Deputy Chairman of the House Committee and I have met with the Chief Secretary for Administration almost every week to relay Members' views on how the Administration can work in tandem with Members in relation to the business of this Council. Through these meetings, we wish to gain a better understanding of the Administration's position on certain issues or the difficulties encountered by it, and strive to reach a consensus with a view to strengthening the ties between us.

Another example showing that this Council has made its best effort to work in tandem with the Administration is the Tamar site project. From the approval of the SAR Government's financial proposal in respect of the project by the Public Works Subcommittee of the Legislative Council in 2003, followed by a government announcement of the shelving of the project, and to its decision to reintroduce the project in late 2005, this Council has all along done its best to complement government actions. The construction of a new Legislative Council building at Tamar has been closely followed up by the Legislative Council Commission, while a subcommittee set up under the Legislative Council Panel on Planning, Lands and Works will monitor related issues including the building of the Central Government Offices at Tamar. I hope that the Central Government Offices, Legislative Council building and open space to be built at Tamar in the future can serve as a symbol of the concerted effort made by the executive and the legislature.

I must point out that the promotion and maintenance of a good relationship hinges on the sincere co-operation between the two sides. If efforts are made by Members of the Legislative Council alone, the objective of fostering a good relationship can hardly be achieved. Therefore, I urge the Administration to take concrete actions to demonstrate its determination to improve the executive-legislature relationship. Such actions may include greater participation of Principal Officials in various committee meetings of the Legislative Council, just as the attendance of government officials at various

briefings on the policy address, so that they can participate in person in the rational discussions and detailed study of the concerns raised by Members of this Council, consult various panels on the legislative and financial proposals, and brief the panels before announcing any major decisions to the media.

With regard to the fostering of good relationships in society, one of the important elements is the tie among the District Councils (DCs), the Legislative Council and the SAR Government. As the DCs are well-versed in district affairs and best able to gauge local views, they play the essential role of a bridge and promoter in district administration. As such, the Legislative Council meets with the 18 DCs territory-wide on a regular basis to study with DC members any district problems and examine other issues of wide public concern in society. In case there are problems which the DCs considered insurmountable, where some are often attributable to the failure of government departments to work in tandem with the DCs, Members of the Legislative Council would arrange case conferences or site visits with DC members to seek appropriate solutions. Furthermore, when public consultation on major issues has to be carried out, the Legislative Council committees will always write to the DCs to invite presentation of opinions. I welcome the recent move by the Administration to devolve to the DCs the authority to participate in the management of district facilities, and require greater participation by government officials in the decisions made at the DC meetings. However, I also hope that the SAR Government will follow the example of the Legislative Council in giving weight to the contribution of various DCs in district administration, so as to further enhance the tie with the DCs and resolve the problems raised by them by all means.

On the other hand, we must also take note of the legislative agenda of the Administration. Over the years, Members have to remind the Administration time and again of the early tabling of bills, with a view to giving the Legislative Council ample time to scrutinize and deliberate on them. There is, however, still room for improvement on the part of the Administration in this respect. One of the examples is the Prevention of Bribery (Amendment) Bill, which has yet to be tabled. I wish to remind the Administration that Members of this Council have just increased the quota of Bills Committee in action from 15 to 16 at any one time, and they are now ready to scrutinize bills tabled by the Administration. I hope that the Administration will not waste these precious quotas and disregard the sincerity of Members, but to take positive actions and work in synchronization.

Although there is no mention at all in the policy address of the dialogue and co-operation between the Government and the Legislative Council, I hope that the Chief Executive will not forget the importance of improving the executive-legislature relationship, and that more should be done by the Chief Executive and his Principal Officials. The Chief Executive has arranged an additional Question and Answer Session in March this year to brief Members on the Government's work programmes. To this, I wish to express my thanks, and I hope that the Chief Executive will continue to increase the number of Question and Answer Sessions in the coming year.

Lastly, I wish to emphasize that the harmony between the Legislative Council and the executive can serve as a microcosm of social harmony. To achieve the purpose of fostering social harmony, I hope that the Administration will start by improving the executive-legislature relationship so as to set a good model for members of the public.

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

Ms Miriam LAU moved the following motion: (Translation)

"That this Council thanks the Chief Executive for his address."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That this Council thanks the Chief Executive for his address.

Mr LEE Cheuk-yan and Mr Albert CHAN have respectively given notice to move amendments to this motion. At the conclusion of the five debate sessions, I will call upon them to move their amendments.

The motion and the two proposed amendments will now be debated together in a joint debate.

PRESIDENT (in Cantonese): We now proceed to the first debate session.

The policy areas for this session are "administration of justice and legal services, constitutional affairs, public service and security".

DR RAYMOND HO (in Cantonese): Madam President, I would like to thank you for allowing me to deliver my speech first. I intend to speak on "effective governance" and the Civil Service.

In the past year or so, "strong governance" underpinned the administration by the SAR Government. However, it is shared by many that civil servants in a number of departments have been adopting the working attitude of "doing nothing to avoid mistakes". Not only is the situation worrying, the progress of a number of works projects has also been slowed down. A number of works projects, initiated by a department for consultation within the Government, have invariably encountered difficulties in gaining support from other relevant departments. More often than not, these departments will raise a host of questions for clarification from the department initiating the projects. With repeated delays, the projects can simply not be implemented even after much delay. Consequently, the Government spent a total of a mere \$26.5 billion in the previous year, 12% short of the target of \$29 billion.

Madam President, I have reflected the situation to the Chief Executive in the hope that he can address the issue and put his concept of "strong governance" into implementation through action to achieve the goal of "effective governance". With these remarks, I support the motion. Thank you, Madam President.

MR MA LIK (in Cantonese): Madam President, the Chief Executive has used "Proactive, Pragmatic, Always People First" as the title for his policy address this year. However, some people in society have criticized this policy address as being too pragmatic but not proactive enough, failing to demonstrate the vision of administration. It is also indicated in some opinion polls that this policy address fails to win high satisfaction scores from the public. Why are there such views in society? From a constructive point of view, the Democratic Alliance for the Betterment and Progress of Hong Kong (DAB) thinks there are really some issues which require some reflection by the SAR Government.

First, it should be pointed out that the policy address this year has really put forth some palpable and achievable policies. There are *inter alia* proposals set out in the various topical study reports submitted by the DAB to the Government earlier and our expectations for the policy address, some of which have been accepted by the Government. For instance, on pre-primary education, the SAR Government has accepted the DAB's proposal on increasing subsidy for pre-primary education, providing subsidy for tuition fees and beefing

up training for kindergarten teachers by introducing a voucher scheme. In respect of environmental protection, the SAR Government has also adopted the proposals of the DAB in encouraging owners of pre-Euro and Euro I diesel-driven commercial vehicles to replace their vehicles with Euro IV models, encouraging the purchase of vehicles with high fuel efficiency and low emissions, promoting the greening of rooftops and environmentally-friendly building designs, and reviewing the Air Quality Indices. Moreover, in promoting family harmony, the policy address has also adopted the proposals set out by the DAB in its report on Forging Harmonious Families, such as the setting up of a Family Commission, introducing flexible working hours, job sharing, home-based work arrangement, and so on. On these particular policy fronts, we do think that the policy address is pragmatic and progressive, responding to the aspirations of society proactively. This is a point that deserves recognition.

However, on the other hand, we think that administration means more than packaging, and more attention should be given to practical matters. But being practical does not mean being short-sighted and paying no attention to the longer term. Pragmatic politics is not only empty talk, nor is it an excuse for sidestepping questions. In fact, some long-term policy directions may also have implications on the present situation and pragmatic meaning, and they may also be a concern to the general public. The Government cannot dodge these issues. Though an immediate solution or means of implementation may not be available, we still consider that the Government should set out clearly the thinking of the authorities in relation to the relevant issues. The policy address which is delivered once a year offers an opportunity for the Chief Executive to announce his macro vision and direction of governance. Society thus has expectations for the policy address. No matter how long the term of the present Government remains, these expectations will not change. For instance, the promotion of the restructuring of the economy of Hong Kong and the upgrading of our development platform are significant and material agendas. We hope that the SAR Government can put forth some long-term plans and blueprints, particularly on enhancing the further integration with the Mainland and developing high technology industries as new economic growth points. We also wish to see more concrete policy initiatives, but the policy address has really given little coverage to these, failing to show to society the direction of the Government. It must be pointed out that Hong Kong's success in the past rested upon its unique geographical advantages and the opportunities arisen from the implementation of the reform and open policy by the Mainland. However, in view of the present globalization and the rapid development of the economy of Mainland, the

mushrooming of core cities within the region and the intense competition posed by them, certain unique roles and functions Hong Kong now playing will be undermined gradually. We have to know that favourable conditions and geographic advantages will not be there forever. In history, many cosmopolitan cities did prosper at one time because of timely opportunities, but had now degenerated into historical remains only for the commemoration of the past. We thus consider the SAR Government should have strategies and foresight. It should take a leading role in the development of our economy, formulating industrial strategies proactively, promoting the development of new industries, and even provide policies and concessions to investors of the relevant industries. We do not wish the Government to sit on its hands only, sinking into the same old rut of avoiding mistakes by doing less or even by not doing anything at all.

We then come to a more important point. Regarding some significant policy agendas which are of concern to society, the public hopes that the Government will respond proactively, put forth definite opinions and display determination in handling these issues instead of dragging its feet. If the Government fails to achieve this, the public will hardly feel satisfied. For instance, on the legislation for minimum wages, despite the strong views expressed by society, the Government eventually launched a Wage Protection Movement for only two sectors which is not even binding. We cannot help thinking that the Government, while on the one hand recognizes in principle the need to protect minimum wages and considers it its policy objective, is not willing to use the most effective means to fulfil this policy objective on the other. In fact, as we all know, those in the business sector who effect compliance with the Movement will have no difficulties in complying with the legislation on minimum wages, but for those who do not, legislation will be the only solution after all. If so, why not be more decisive? Its present move will inevitably give people an impression that the Government is indecisive, disorientated and bowing to the pressure of the business sector. Moreover, on the issue of Goods and Services Tax, objection in society is extremely clear. This objection is more than resistance triggered by emotion, but it is justified, and the Government has lost its high ground, failing to justify itself with convincing arguments. In this respect, the Government should face the reality and back down. This will surely affect the governance of the Government, but it is always better to endure short-term pain than allowing the disease to remain untreated, for I am afraid that if the problem is dragged on any further, it will inflict even greater damage. As for the role of the Government, the policy address has again explained the comment on stopping to use the term "positive

non-intervention". We agree that arguments about ideology will do no good but only harm to Hong Kong. More so, we consider that the Government must act in response to the reality, adopting a positive instead of resistant attitude in assessing its role in economic development. It should make greater commitment particularly to promoting the development of high technology industries. All sectors of society should actively take part in the discussions on the role of the Government. However, the Government should have the courage to express its views and preference unequivocally for discussion by society instead of giving ambiguous opinions trying to ingratiate with both sides. Otherwise, apart from a change of slogan from "positive non-intervention" to "big market, small government", the discussion will not take us anywhere.

In the past year, society did witness changes in the style of governance of the Government, improved governance standard and enhanced capability to respond to changes. However, the administration by the Government still lags far behind strong governance in actuality. For instance, the ecology of the media is deteriorating. Certain members of the media which seek to reap profit by hook or by crook will, more often than not, flout the law and the limit of public ethics. They use unscrupulous approaches, like the employment of paparazzi, time and again to blatantly invade the privacy of the public and humiliate women. However, despite mounted public anger and the demand for more stringent regulation, the Government has acted lamely. Neither has it made any breakthrough to enact legislation effect regulation, nor has it taken proactive actions to impose penalty. It just connives at the unscrupulous members of the media corrupting the social ethics. Take the tourism industry as another example. It is a pillar industry in Hong Kong and should thus receive the greatest attention from the Government. However, all along, the "zero-fare tour" practice has been employed to entice customers, and there is also the frequent occurrence of cheating and ripping off customers, tarnishing the reputation of the tourism industry of Hong Kong. If the Government has not underestimated the seriousness of the situation, it is turning a blind eye to the problem or shifting the blame to the trade, completely failing to fulfil the function a government should have performed. We hope that the Government can implement measures as soon as possible to curb these unscrupulous acts and rectify the operation of the trade. If it gives people an impression that the Government only knows how to obtain concessions from the Mainland but fails to fulfil its own responsibility, it will be a great pity indeed. As time passes, if the Government fails to take swift and decisive actions to address these problems, its governance will be weakened and the people will lose their confidence in the Government.

Madam President, apart from the abovementioned problems which warrant reflection, we consider that the policy address this year is, on the whole, desirable. On environmental protection, education and family policy, the policy address has put forth pragmatic and proactive measures and we welcome them. Moreover, the policy address has highlighted three challenges which the next SAR Government will have to address proactively, and we do agree that these issues should be discussed in depth in society. In respect of constitutional development, we agree that discussions should continue to be held by the Commission on Strategic Development to forge a consensus in society in a steady and progressive manner. We also support that preparations on various aspects should be made for constitutional development. These include the enhancement of the functions of District Councils, further expansion of the political appointment system, perfection of the accountability system and increasing the opportunities for participation in politics for members of society. At the same time, we consider that the reinforcement of national education is also an important task in creating the conditions for constitutional development, which the Government needs to attach great importance continuously. During the debate on the Motion of Thanks this time, colleagues have proposed some amendments. The DAB is of the view that it is natural that various Members will have different expectations and demands in respect of the different policy areas covered in the policy address, but it is inappropriate to add amendments to the wordings of the Motion of Thanks. For this reason, we will not support these amendments.

Madam President, at the end of the policy address this year, the Chief Executive quoted an old saying, "Act when you should act, and stop when you should not press on." Undoubtedly, knowing when to act and when to stop is a dictum for how one should behave in this world. However, society does demand politicians to do more than that. As Premier WEN Jiabao said when he met the Chief Executive last year, an official must have high aspirations and determination, for he had been entrusted with a stupendous task and heavy responsibilities. Hong Kong will encounter all kinds of difficulties and challenges in future, and the direction of socio-economic development is a prominent part of it. We hope that the ruling team of the SAR Government will know not only when to act and when to stop but will also be determined and decisive, have vision for the future, and will have the courage and vigour to lead the Government and society to overcome difficulties and march forward. With these remarks, I support the Motion of Thanks on behalf of the DAB.

MR HOWARD YOUNG (in Cantonese): Madam President, I will speak on administration in relation to security and constitutional affairs.

To cope with the constant growth in passenger flow between the two places, the Government should further streamline customs clearance at various boundary crossings between the Mainland and Hong Kong and shorten the time required for cross-boundary passenger clearance. In addition to the planned implementation of co-location of clearance at the Hong Kong-Shenzhen Western Corridor, to be commissioned in July next year, I propose that co-location of clearance be extended expeditiously to other boundary crossings to facilitate the movement of travellers.

As co-location of clearance involves the jurisdiction of the two places, the Government should submit the Hong Kong Port Areas Bill (the Co-location Bill) to this Council. Since the Bill seeks to deal with the co-location of clearance, the provisions therein are inevitably complex. According to past experience and for the avoidance of delay, I hope the contents of the Bill can be expeditiously discussed and the relevant amendments studied. Given that a model will be ready upon the completion of the study, I hope the co-location of clearance can be implemented more expeditiously.

In addition, 240 automated immigration clearance channels, or e-channels, have been introduced at various boundary crossings to facilitate the movement of travellers. I welcome the Security Bureau's proposal of extending e-channels to handle frequent visitors to Hong Kong. I also hope that the details and timetable of implementation can be announced in the near future for, in addition to Hong Kong people, overseas visitors to Hong Kong also hope to pass through various boundary crossings speedily.

As regards immigration matters, the Secretary for Security has also indicated that SAR passports with chips and biological features will be launched early next year to tie in with the renewal arrangements for the first batch of passports introduced in 1997, as the first batch of SAR passports to expire should be those issued in July 1997. The new Hong Kong SAR passports will contain the holder's facial image and enhanced anti-forgery features. With the introduction of this new passport, I hope the Government can enter into agreements with more countries with respect to visa-free treatment to provide SAR passport holders with more immigration convenience. On passport renewal arrangements, I hope the Government can take note of the varying

requirements of other countries for the validity of passports upon entry of the passport holders. Even if a person has obtained a visa for an individual country, he will still be refused entry if his passport is valid for less than six months. Therefore, the Government should expeditiously announce the renewal arrangements and provide more manpower to cope with the massive workload thus generated, in order to avoid delaying people from travelling abroad for sightseeing or business. The first peak period will probably emerge during the Lunar New Year in late February next year because the validity of the passports held by some people might have only four or five months left. The authorities should therefore pay special attention to examine if priority arrangements can be made for these people.

With the rapid developments in Macao in recent years, headhunting has appeared in the local hotel industry as well as the tourism industry, thus leading to a shortage of talents, particularly the middle management. To address the problem, more resources should be injected and more talents be trained. It is also hoped that the Government can capitalize on the Quality Migrant Admission Scheme launched this year to alleviate the succession problem with talents. Nevertheless, a combined annual quota of 1 000 people has been set under the Scheme, and the quotas allocated to different trades and industries are different. In this connection, I hope the Government can exercise flexibility in determining the quotas according to the needs of individual trades and industries for avoidance of mismatch.

Another security issue concerns the proposal by the Chief Executive last year to reduce the size of the Frontier Closed Area (FCA), which was supported by the Liberal Party and the tourism sector at that time. The tourism sector believes that opening up the FCA will help the development of tourism. One year down the line, the Government has initially announced the boundary of the FCA, though the ultimate development has not been finalized yet. Actually, it is the earnest hope of the tourism sector that Chung Ying Street can be opened up to allow travellers to enter without a resident permit and tour around this street of great historical significance. Believing that opening up the area will instantly facilitate the economic development and employment of the area, I hope the Government can consider this.

With respect to the constitutional system, I only wish to raise a point. The Liberal Party supports the proposal of achieving ultimate universal suffrage in a gradual and orderly manner. As regards the issue of moving in the direction of universal suffrage, the Liberal Party proposes that the electorate of

existing functional constituencies be expanded first. Though it might not be possible to implement the proposal as early as 2008, the proposal can be considered as the next step. As for corporate electors, such as electors of the tourism constituency, each registered company can now authorize only one representative to vote. We propose that the electorate be expanded and the "one-company, one-vote" requirement no longer be maintained. Instead, a company may cast a number of votes, or even up to six or 10 votes, on behalf of the management. All standards set according to the scale of a company and the size of staff are acceptable to us. Such an arrangement is not only fairer, its credibility can also be enhanced. At the same time, it will not go against the concept of functional constituencies reflecting the needs of their respective sectors, particularly the management. I hope the Secretary for Constitutional Affairs can consider this in detail. I so submit.

MR LEE WING-TAT (in Cantonese): Madam President, after the presentation of the policy address, many people think that it talks only about pragmatism, instead of any directions, let alone any visions. I think this policy address is myopic in three ways. First, it is myopic in the sense that it cannot see the wood for the trees. Second, its sole concern is the efficacy of short-term solutions to social problems rather than the long-term development and visions of society. Third, it pays sole attention to the interests and concerns of the coterie of 800 people but ignores the long-term well-being of all the 7 million Hong Kong people.

In his meeting with the press after the presentation of the policy address, the Chief Executive emphasized again and again that the policy address would only deal with those tasks which could be completed with visible results in his eight-month term of office. Actually, the first problem here is that such an approach is never adopted by any heads of countries or places for their last policy statements. Time is of course running short, but this should not be used as an excuse for refraining from pinpointing the concerns of society, drawing up medium- and long-term plans, proposing possible directions for tackling these problems and suggesting the factors of consideration. The heads of all countries or places are obligated to do all this.

The second criticism concerns the Chief Executive's claim that only eight months are left in his term of office. Members all know that this is simply not true. The election — some say that this is not even an election. It is almost certain that the coterie Chief Executive Election in March next year will give him

a five-year tenure. In that case, why does he still make so much pretence, giving people the impression that he is not speaking the truth and lacks any sense of commitment? No one will ever blame him for not raising the problems, but it will be a dereliction of duty if he claims that because there are only eight months left in his term of office, he cannot even raise any medium- and long-term problems for discussion, cannot suggest any directions and visions and cannot suggest any factors for consideration. Apart from the constitutional system, there are still many issues in society that have been discussed for a decade or two, such as the unemployment of middle-aged workers, population ageing, the wealth gap and health care financing. All these issues are not given any treatment in the policy address, nor are any proposals on long-term development or directions put forward for our consideration.

Madam President, maybe for this reason, people think that the Chief Executive's policy address is just trying to evade the major concerns of society and refrain from proposing any solutions, with the result that there has been so much delay even for the enactment of legislation on a minimum wage level. It is therefore small wonder that there has been such a deluge of public criticisms, leading to the immediate decline of the Chief Executive's popularity rating.

Madam President, I also wish to say a few words on governance. Dr YEUNG Sum will discuss this topic in detail, so I shall raise only one related point. I will tell Members four examples, so that they can do some thinking themselves. Some time ago, the Chief Executive officiated at the opening ceremony of the Hong Kong Wetland Park and he said, to this effect, "It is so relaxing here, away from all the din of the Legislative Council." There is another example. During the debate last week, Financial Secretary Henry TANG frequently retreated to the Ante-Chamber. He should of course take a rest from time to time. But I think he was away from the Chamber for much too long. People thus think that he was not willing to sit down and listen to dissenting views. Third, the Sunday before last, Secretary Frederick MA criticized Members opposing a Goods and Services Tax (GST) for trying to curry favour with electors. Fourth, Secretary Prof Arthur LI remarked that the sponsoring organizations of profit-making kindergartens had all taken on "aunties" of the family, so the Government should not pay any money to make them rich. I therefore cannot help wondering why the Chief Executive, the Financial Secretary and Bureau Directors should have made those remarks. After some hard thinking, I have come to the conclusion that the only reason is their arrogance, their arrogance in treating the people and Members elected by the people.

Madam President, in a way, I do think highly of you because of your participation in direct elections. I have commended Mr James TIEN and Mrs Selina CHOW many times before for the same reason. I really mean what I say. You were not afraid of hardship. You were prepared to meet challenges. And, you had the courage to face the people. I suppose all directly elected Members, such as the President, Mr James TIEN, Mrs Selina CHOW and I myself, all had the experience of being yelled at in the streets. This is something expected by those of us participating in direct elections. Direct elections are basically about putting up with things we do not like to hear at all, with being chided face to face, and with opinions that displease us greatly. But all this is inevitable for those involved in politics. I wonder if the present Government, the Chief Executive, Secretaries of Departments and Bureau Directors are actually regarding themselves as kings of ages past, who wanted all the sycophants around them to speak words of flatteries to make them feel comfortable. But can they thus learn of the truth? Can arrogance solve our social problems? Can arrogance handle dissenting views? The answer is "no".

The first feature of arrogance is conceit, which makes one think that one's decisions and policies must be correct and do not need any amendments. The second feature is that people's opinions are all noises of ignorance devoid of any analytical thinking, so there is no need to listen to them. The third feature is the thinking that Legislative Council Members are a bunch of adversaries, not partners, which means that labels must be put on those holding dissenting views. I must tender the Government a piece of advice. If the Government is elected by the people, LEE Wing-tat will not say something like this. If the Government had the people's mandate and if it was prepared to answer the choices made by the people, no one could have challenged it in any way. Unfortunately, however, the Government is not elected by the people. I think that if they are still so arrogant even when the people do not support all these policies, they are bound to run into more trouble in the future.

Madam President, over the past year, many media workers have been asking me whether the Chief Executive is capable of achieving strong governance. My reply to them is very simple. Compared with Mr TUNG Chee-hwa, Donald TSANG is much better at responding to current issues and expounding government policies. This is a merit. Donald TSANG is better at political packaging, and he goes on walkabouts much more frequently in order to secure public support. This is also a right thing to do. Donald TSANG has

the knowledge and experience of handling various policy issues in the civil service framework. This is another merit of his. I do appreciate these three merits of his. It is not true to say that I do not appreciate his merits.

However, I do not think that the possession of all these technical merits alone is sufficient for a political leader. The people all expect a political leader to be able to put forward visions, directions and a blueprint for society. He is expected to have the enterprise of promoting consensus in society. And, the people also expect that even when he, faced with immense difficulties, can still surmount all obstacles and seek to materialize and implement his beliefs and convictions. Therefore, even though I am opposed to the introduction of a GST, I nonetheless very much appreciate the perseverance of the Financial Secretary. He knows that the task is very difficult, but he still stands very firm. But how about the Chief Executive? My observation is that whenever he meets any difficulties, he will run away. In this way, he can never become a political leader. And, during the last election campaign, he should never have called himself a "politician". A politician, or a political leader for that matter, should have the determination to face difficulties, suggest solutions and even mobilize social discussions for the purpose of reaching a consensus on realizing his beliefs. There were discussions on many such issues in the past, such as population ageing, the wealth gap and health care financing, and I have mentioned them yet again just now. Health care financing is the most notable example. At the very beginning, it was said that consultation would be launched in early 2005. The consultation exercise was then deferred until the summer holidays this year. But it has turned out that further postponement is required. According to my sources, there will be no discussions on any controversial issues before the Chief Executive Election. Is that the kind of behaviour expected of a politician or political leader?

From the period when I was a District Board member to the present time when I am a Legislative Council Member, I have heard principal government officials and civil servants criticize time and again that Members will only fight for those things which can help them canvass more votes but they will do nothing in regard to those issues which cannot help them get more votes. This is very similar to the behaviour of the Chief Executive now. For this reason, at one of the meetings of the Panel on Constitutional Affairs, I remarked that in that case, the Chief Executive was even worse than a Legislative Council Member and a District Council member in terms of political magnanimity because despite the unrivalled political resources at his disposal, he had decided to evade the issues.

Madam President, finally, I wish to say a few words on constitutional development. Members all know that since the vetoing of the constitutional reform package, the whole issue of constitutional development has been referred to the Government's Commission on Strategic Development (the Commission) for unilateral discussions. This is not at all an active approach and the matter has dragged on for much too long. Speaking of the Commission, the first point, as Members are aware, is that it is not a representative body. The reason for appointing me to the Commission, for preordaining me, is just to make sure that there can be some "noises". Second, the Commission's work is currently confined to its internal meetings and public participation is extremely inadequate. I even feel that the Government has never tried to vigorously promote discussions in society. The Government has so many media and resources at its disposal and it also holds so many briefings every week to fight against dissidents. But I have never heard Secretary Stephen LAM, the Chief Secretary for Administration and the Chief Executive call upon the public in any of such briefings to hold discussions on the issues being dealt with in the Commission. Nor have I seen any government advertisement in the media, or API, which deals with the issues discussed in the Commission, and which displays any website for the public to browse the relevant information and submit their views. They have even failed to do all this.

For all these reasons, I expressed two concerns at the meeting of the Panel on Constitutional Affairs last week. My first worry concerns the so-called consensus to be announced by the Commission early next year. I am sure that the consensus of the Commission will not be the consensus of the people. I very much hope that the Secretary — I am going to see the Chief Executive later on as well — can advise the Chief Secretary for Administration not to treat the consensus of the Commission as the consensus of the people. It is certainly not. Second, I am extremely worried that as soon as the so-called consensus is announced early next year, the Commission's report will be submitted to the Central Government immediately. I have expressed this worry many times because this will be a report without any input from the public. I am extremely worried that the Central Government may make tentative decisions on this basis, on the basis of this report. In that case, what happened on 26 April 2004 will repeat itself, that is, the people will be forced to accept what they have never discussed before.

I hope the Secretary can give thorough consideration to my two pieces of advice. First, actions should now be taken to collate all the views expressed in

the Commission. Following this, a pamphlet should be compiled, and government officials should start to appear in the mass media to encourage the public and various organizations to discuss the issue. Besides, the Legislative Council Panel on Constitutional Affairs should be briefed more frequently on the contents of their discussions. Second, I hope that after the publication of the report early next year, there will be a public consultation period of at least three to six months. After the completion of public consultation, the findings should be appended to the report for submission to the Central Government. This is a more proper approach.

Madam President, I am the Chairman of the Democratic Party, but I will not concentrate on criticizing the Government as my sole business. The Government has accepted some of our advice this time around. Therefore, on behalf of the Democratic Party, I would like to thank the Government for its acceptance of our proposals. We are especially thankful, first, for the subsidy of \$2 billion granted to kindergartens, a matter that Mr CHEUNG Man-kwong will talk about later on. Second, we also wish to thank the Government for accepting our proposal on green vehicles and vehicle replacement. Thank you.

DR KWOK KA-KI (in Cantonese): We are now discussing the Motion of Thanks, but if we take a look at the public opinion polls after the delivery of the policy address, we will obviously find that the people of Hong Kong have already given it a score.

The next day after the Chief Executive said with smug satisfaction that he had delivered the shortest, crispest and most forceful policy address in history, his popularity saw a steep drop. According to the polls, his popularity was even lower than that of Mr TUNG Chee-hwa after the latter had given his last policy address. Some commented that the Chief Executive is a very smart person, I think he does have some wits. All of us may well see that he has painstakingly mapped out a clear path and his timetable for the elections last year, this year or even the next. All efforts are steered towards his run for a second term.

A colleague stated just now that the Chief Executive is pretentious and I find it an apt description. He stated his reason for giving this shortest policy address is that he only has eight months left to govern and there are only eight months left in his term. However, we all know that it is basically a lie. Even

before the election begins, all the people in Hong Kong, including us, know that this is not a fun game to play, for in this game, he is destined to be elected. Why on earth does he still have to make such pretence?

If he is a politician — I heard Mr LEE Wing-tat describe him just now as a politician-cum-leader, would this not, I think, be an over-compliment? If he was a politician-cum-leader, would he not, having foreseen that he would have five years and eight months' time for his governance, put forth some policies that would truly take the long-term development of Hong Kong forward? This time I will specially talk about "sound governance". What is "sound governance"? For a long time after 1997, the people of Hong Kong have witnessed some policy failures during the time when Mr TUNG Chee-hwa was the Chief Executive. Although I cannot blame all the failures on Mr TUNG, one point is crystal clear, that is, the problem with the system. The system right now basically cannot reflect public opinions, neither does it carry the popular mandate or the authorization of the people. This is a tough problem a "lame" Government has to face. We originally should have the ability to change this situation, because when the political development of Hong Kong reaches a point where it carries the popular mandate and allows the Government and all Members of the Legislative Council to be returned by universal suffrage, the Government will naturally be able to represent the people in making decisions. Yet, the Government (including the Chief Executive) seems to fail to see this point.

We can note from this year's policy address that its approach is to evade the important issues. The Government proposed in last year's policy address the so-called strong governance and three major work focuses, namely the West Kowloon Cultural District (WKCD) project, the political reform package and the Government Headquarters. As the WKCD project involves a major collusion between business and the Government and a transfer of interests, due to the objection of the public, the Government had to amend the proposal.

The second focus is the political reform package. The package for the Chief Executive Election in 2007 and the Legislative Council Election in 2008, no matter how you see it, cannot in any way relate to universal suffrage, but the Government, without any reason, hard sold it as a package that could take us towards universal suffrage. Of course, everyone could see when people took to the streets in last December and used their feet to express their important opinions, while the Legislative Council also did what it should by voting down

this political reform package proclaimed to be moving towards universal suffrage.

I thought the Chief Executive would have learnt a lesson and truly put forth to the public and Members of the Legislative Council a roadmap and timetable that will take us towards universal suffrage and democracy. Much to our disappointment, he handed over this task to the Commission on Strategic Development, which does not carry any popular mandate. And the Committee on Governance and Political Development under it has 39 non-official members, but unfortunately only three of them are Legislative Council Members elected by the people.

Before the announcement of the new political reform package, the Government used excellent cover-ups and found itself a graceful way out by saying how the package was underpinned by a consensus, how it would not affect our capitalistic society, so on and so forth. This is most ridiculous. Do most places in the world run smoothly under capitalism and sound governance not have a democratic government? Which democratic government is against capitalism and the interests of the people? However, a possible or highly likely case is that these will surely become the biggest excuse next year for not allowing Hong Kong to move forward towards democracy. A colleague said just now that more window-dressing should be done in this Council, and that more varnishing, promotion and consultation should be done. But I think that these efforts will be futile because we have learnt from experience of policies which had a gilding of consultation but were, in substance, unpopular policies that the Government tried to force through.

In last year's policy address which advocated the so-called strong governance, the only initiative that could go ahead was the construction of the new Government Headquarters. I heard Ms Miriam LAU mention just now in moving the motion three major achievements of the Government, one of which is about the interception of communications. We in the Legislative Council still feel regretful for passing this Bill which failed completely to protect the public's right to privacy and human rights.

The second one is about the legislation on smoking. We have witnessed that the Government ultimately — perhaps this is the trouble with a "small-circle" election — from out of nowhere, put forth the concept of a smoking room, which no one has ever heard of and is not backed by any scientific evidence.

The third one is about the Tamar project. If a people-based government already has a full plate of work before it, will it, when realizing that its people are caught in dire straits, the economy is sluggish, the rich and the poor are polarized and the unemployment rate stands high, still allocate more than \$5 billion for the construction of a palace-like Government Headquarters which costs double that of the IFC Two? What is people-based governance? How could it tell people that this is strong governance? How then could we support this policy address?

This year's policy address is great, and some may even consider it superb, because there are two proposals which, I believe, even the Chief Executive or the Government regards as desirable for the people, one of which is "giving away money" to parents of kindergarten children in the hope to apple-polish certain people. If this happened in other countries, the Government or the officials might be described as "vote-buying" for such acts. This, however, is not the point here, because "vote-buying" may not be a bad thing after all, as long as it is what the people want. Yet, a good thing may become bad when it turns from a proposal that could otherwise support or develop kindergarten education into one that polarizes people of different social strata, disunites the middle-class parents, differentiated schools into non-profit-making and profit-making, and classifies school fees that parents have to pay into above or below \$24,000, thereby leaving the community deeply perplexed and triggering great repercussions.

This is exactly doing a disservice out of good intentions. What can be done to really help push forward the development of kindergarten education? Can these small favours really solve the problem with the execution of the education policy? While the wound inflicted by the education reform has not yet healed, the Government has, instead of having the vision and foresight to review the mistakes made, put forth such small-favour measures. It is thus hardly convincing that the Government has a long-term vision.

Moreover, there is this scheme on vehicle replacement. The scheme is fine, but too much is indeed needed to be done in relation to environmental protection — for example, pollutants caused by the two power companies (which is the biggest problem in our view), solving the problem of pollutants coming from Guangdong Province, the green tax, plastic bag tax, and so on — that the Chief Executive should have opted for a better approach, but he has not. Instead, he put forward a proposal, which he thought is smart and pleasing to the industries, of giving away \$3 billion to the industries to replace their vehicles.

However, in relation to the most important issue on the agenda, that is, people's livelihood, which includes minimum wage — I am glad to hear many colleagues mention health care financing. As a doctor, I see that the health care policy and services are facing a tough challenge. Under a financing package that lacks a vision, both the public and private sector medical service providers are under the torture of a policy that has lost its bearings each and every day. Yet, the Government has again and again delayed, from the '90s till now, the work that should be done. To date, there is still not a foreseeable date to implement the medical reform.

Is there a vision? Is there a direction? How could we thank the Chief Executive for giving a policy address that does not have a vision and a direction? By adopting such an approach, by handing over the task to the Commission on Strategic Development, and by saying that it has to please the business sector and the people with vested interests at different social strata, how could the Government come up with a sound political reform package? In addition, I also find approaches which intend to strengthen governance, including the system of political appointment, most ridiculous.

If we want a truly vigorous political development for Hong Kong, what the Government can, should and has to urgently do is to develop universal suffrage and party politics so as to let the political parties — it does not matter even if members of the Liberal Party or the Democratic Alliance for the Betterment and Progress of Hong Kong become the so-called ruling coalition — join the Government to share the power and be accountable to the public. If they fail to do a good job, people will vote them down and cast them out in the coming year. Any progressive democratic country in the world will have to go through this path.

The Government has abandoned the right path and opted for one that allows it to share the spoils with others. Unfortunately, it seems that even the major political parties (the so-called pro-government parties) are not very keen on the spoils. How then could this help implement better governance for Hong Kong?

President, if we hope or long that the policy address can strengthen the sound governance of Hong Kong in the medium to long term, I think it will be as futile as fishing in the air. Therefore, I cannot agree with it, neither can I thank the Chief Executive for giving this year's policy address.

I so submit. Thank you, President.

MR LAU WONG-FAT (in Cantonese): Madam President, days ago, the Chief Executive, Mr Donald TSANG, delivered his second policy address, also his last policy address in his current term. Judging from the responses from all sides, the overall response in society to the policy address, with "proactive, pragmatic" as its theme and being by far the shortest, can be described as not enthusiastic at all, despite the policy address' new ways of thinking and emphasis on promoting social harmony. The policy address has even come under fire on certain fronts.

By waving the "pragmatic" banner in the policy address, the Chief Executive has evidently chosen to evade the crucial issues or simply avoided some major controversial ones. However, the issue of a minimum wage can still not evade fierce attacks. As for the subsidy for early childhood education, which is supposed to be good, has attracted strong reactions from the middle class because of the inequitable treatment. A lot of critics have even labelled the policy address as lacking vision.

According to the latest survey published by the Hong Kong Institute of Asia-Pacific Studies of The Chinese University of Hong Kong, the popularity rating of the Chief Executive has fallen to a new low of 62.8%. In all fairness, this popularity rating is still exceedingly high by world standard. However, its falling trend reflects the growing gap between the Government's administration and the people's expectations. In my opinion, a government emphasizing the need to effectively respond to people's aspirations and its determination to build social harmony must urgently review this situation and adopt corresponding measures to rationalize the matter. The survey does demonstrate that the people will not lower their expectations for the Government just because the term of the Chief Executive will soon expire. This very fact must be borne in mind by the responsible officials.

There is nothing wrong for the Government to propose "proactive, pragmatic" as the guiding principle for governance. However, the notion of "strong governance" has been implemented for just one year and yet it has apparently retreated to the second line. This has inevitably brought a sense of loss to people and knocked them into confusion. This can be compared to taking a flight. After the plane has taken off smoothly and before the meals served on board have been finished, the pilot announces that the plane has to land for transfer of passengers to another plane, leaving the passengers in wild guesses and heated discussions.

Madam President, what changes does the shift from "strong governance" to "proactive, pragmatic" bring in terms of the roadmap for governance? Will the Government's administration orientation and the consistency of its policies be affected? Will the Government continue to chant the slogan of "strong governance" in future? Many people do not understand this. Actually, many people have been examining the word "pragmatic" under a magnifying glass to see if any sublime words with deep meaning can be found in it. I therefore consider that there is an urgent need for the Government to explain this question clearly to dispel public misgivings.

Madam President, the fact that the Chief Executive has, in his concise policy address, not forgotten to talk about the development of District Councils and the interaction between the Government and the New Territories Heung Yee Kuk does demonstrate the importance attached by the authorities to district administration and the maintenance of social harmony and stability. To this end, the Government has undertaken to allocate additional resources to the District Councils. Furthermore, a pilot scheme to enhance the functions of District Councils has also commenced. I firmly believe, with the joined efforts on all fronts, the work of District Councils will surely be taken to a new pedestal in providing more effective services to the public.

The New Territories Heung Yee Kuk just celebrated its 80th birthday yesterday. As a statutory advisory organ and a representative of a traditional, social force of loving China and Hong Kong, the Heung Yee Kuk will, as in the past, adopt a proactive attitude, enhance the partnership relation with the Government, and support the Government's administration according to the law.

Madam President, the three challenges raised by the Chief Executive for the third-term SAR Government, namely how to sustain economic development, how to further the development of a democratic political system and how to build a harmonious society, are crucial and ongoing issues. While the Government of the next term certainly has to meet these challenges and seek the best and most feasible solutions, the Government of the current term has actually addressed and started tackling these issues a long time ago.

The handling of these issues will seriously affect the long-term well-being of Hong Kong people. I hope the Government can, during the remainder of its term, continue to vigorously study and consider these issues so that early preparations can be made. No matter who will become the leader of the SAR

Government of the third term, he or she can then inherit or refer to the relevant outcomes and information. This will greatly facilitate the smooth development of the SAR.

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

MR LI KWOK-YING (in Cantonese): Madam President, the Chief Executive has, in the policy address, raised three extremely important issues, namely economic development, democratic development and building a harmonious society, in the hope that society can discuss appropriate measures and build a general consensus. However, I would like to raise one more issue concerning the rapid increase in the number of judicial review cases, a matter of concern to people caring about the rule of law in Hong Kong and judicial efficiency.

According to the information of the Judiciary, there were only about 100 judicial review cases in Hong Kong in 2002. However, the number of judicial review cases began rising in 2003, and there were close to 150 such cases in 2004 and 2005, a 50% increase compared to 2002. It is considered that the rise in judicial review cases reflects the public's growing legal awareness and the public's knowledge of exercising judicial rights conferred under the law. However, the rise in the number of judicial review cases is not conducive to society or serving public interest, because this simply reflects that the people are more inclined to resorting to judicial review to resolve problems rather than resolving their legal problems with the Government or business partners or problems between individuals through other channels consuming less resources, thus ultimately leading to rising social costs and the failure to create a win-win situation.

Actually, I am not the only person who is concerned about the dramatic rise in the number of judicial review cases. At the inauguration ceremony marking the current legal year early this year, Chief Justice of the Court of Final Appeal, Mr Justice Andrew LI, also mentioned the sharp rise in the number of judicial review cases. In his opinion, the phenomenon is attributed to three factors: First, given the Government's widening scope of regulation, the scope of discretionary power conferred on public officers has continued to expand. In exercising their discretionary power, public officers naturally face higher chances of being challenged by judicial review. Second, the Basic Law and the Bill of Rights provide a lot of legal justifications conducive to challenging

administrative and legislative acts, thereby giving rise to more judicial review cases. Third, with their rising standard of education and the fact that it is very easy to hire a legal representative, members of the public are more inclined to resorting to legal channels to protect their own rights and freedom.

Although Mr Justice Andrew LI has succinctly highlighted the crux of the problem, I still believe those factors are not the key catalyst contributing to the sharp rise in the number of judicial review cases because the exercise of discretionary power by public officers and the enforcement of the Basic Law and the Bill of Rights have been ongoing since the reunification. There is simply no justification that supports the sudden surge in judicial review cases in 2003. The assumption that members of the public are aware of the option of resolving problems by legal means because of upgraded educational attainment and enhanced knowledge of law still cannot fully explain the rapid rise in judicial review cases, because there are other ways to resolve problems by legal means. They include working out a more appropriate agreement through seeking legal advice, resolving legal disputes through arbitration and addressing injustices through litigation or complaints, and so on. However, we have not seen a concurrent rise in the number of cases involving these measures.

Therefore, I personally worry that there could be one more reason and that is, some individual groups and individuals have deliberately challenged the Government through judicial review as this is the least expensive tool and shortcut that can most easily attract the attention of the community and the media. It is most worrying that judicial review has gradually been turned by some individual groups or individuals into a vehicle to strive for individual financial gains or serve political purposes. As stated by Mr Justice Andrew LI, disputes involving economic, social or political issues should be addressed through political procedures, not by the Court (that is, judicial review). If the phenomenon whereby society only knows to exploit judicial review to resolve disputes is allowed to continue to develop, not only will effective governance be impeded, social costs will increase sharply and the stability of policies will be affected too. It is worthwhile for the Government and society to take note of these issues raised in the policy address.

For the above reason, the Government should cautiously deal with the tendency of the public making use of judicial review to fight for their rights. Before formulating policies and initiatives, the Government should give holistic consideration to the interest of all sectors and, in implementing the relevant

policies and giving public officers discretionary power, a clearer and more specific guideline must be issued to avoid abuse of power by public officers, thereby reducing non-essential judicial review cases. Furthermore, the Government should pay attention to how to educate the public to gain a correct understanding of the functions of the Court and how to make proper use of judicial review and other legal channels to suitably handle legal disputes with a view to jointly building a harmonious society.

Madam President, I so submit.

DR FERNANDO CHEUNG (in Cantonese): President, with regard to the content of the policy address itself, I really do not see what is there to thank for. The content of the policy address, in fact, demonstrates that the Chief Executive has imposed his own shackles, in which there is neither a policy direction of the Government in resolving problems for the public as they wish, nor an attempt to face up to the fundamental conflicts. Nonetheless, there is one thing which very much deserves my thanks to Chief Executive Donald TSANG, and that is, after finished reading out the policy address and then closed it, he broke the tradition by pretending to make some remarks on the feet which were not contained in it. I consider this part the highlights of his speech.

President, the entire policy address has no substance at all and the highlight falls on the part that was not in black and white — Of course, it was already written down as he had the cue — which fully explains Donald TSANG's philosophy of governance, and that of his ruling team present today. In that part of his address, he told us a story about Hong Kong and another about himself being a "Hong Kong boy". So, what is the story of Hong Kong about? He said we do not need any ambitious plans or lofty ideals, but simply work hard and be diligent. Only if we adapt ourselves swiftly and flexibly to the circumstances, coupled with our tireless effort and continuous self-improvement, we will certainly get rich. That is why we have gradually transformed from a fishing village into a society proliferated with small, backyard factories, and then further developed into today's world financial centre or Asia's world city. He had never for one minute thought that one day he would become the Chief Executive. It had never been part of his career plan. He simply worked diligently and conscientiously, and completed all jobs assigned to him. That was how he eventually became the Chief Executive. Therefore, Hong Kong is a blessed piece of land. All we have to do is to work diligently and conscientiously, and there is no need to think too far ahead. Neither is he,

being the Chief Executive, required to think too far ahead. Why? Because all that matter is we are taken care of by the State. This is exactly where the spirit of the entire policy address lies, and also the philosophy of governance embraced by our highest leader, Chief Executive Donald TSANG, in the administration of Hong Kong.

President, I really find his remarks very regrettable. What kind of leader is he when, under the so-called pragmatic approach, he can do without ambitious plans and lofty ideals, and simply complete all jobs assigned? He is merely an agent or a middleman, instead of a leader. Of course, being a salesman, he has to promote whatever products his company throws into his lap. So, when he has product A, he will say product A is the best; and when he has product B, he will say product B is the best. As these are not his products, there will not be any personal thinking. He will sell products that are of the greatest convenience to him or assigned by his company. Just do it. It is most important to adapt and learn to accept the circumstances, and to change oneself to become hard-working, diligent and obedient. It is true that "Hong Kong boys" do possess these characteristics. And, being a "Hong Kong boy" who has 40 years' service as a civil servant under his belt, he has adopted this attitude in the course of developing his career path, through which he eventually walked to the present position. However, it is not enough for him to be obedient, diligent and conscientious in his present position as the leader of Hong Kong. Our leader should not just tell us that he is pragmatic, and that we will have to resign ourselves to fate in view of changes in the circumstances, while the final decision still rests with the national leaders.

In the constitutional reform saga, this was precisely the attitude adopted by the Chief Executive in proposing the electoral reforms last year. After the reform package proposed by him had been negated, he put the blame on other people and said it was the best he could offer. He had "acted when he should, and stopped when he should not press on". He could do nothing, and in the end, he had done his level best. Has he done his level best, however, given that he is the leader of the Hong Kong Special Administrative Region (SAR) and has claimed himself a politician? And did he really stop when he should not press on? The answer lies in his conscience. He must face up to Hong Kong people, and yet, he has repeatedly reduced the expectations of Hong Kong people with such an attitude by telling us to resign ourselves to fate, be pragmatic and not to think too far ahead; we will be well taken care of provided that we do our own job; and things will be fine if we are obedient, but become undesirable if otherwise.

President, Hong Kong people nowadays are not like those in the old days. We have experienced wars and many disasters. Hong Kong people are pragmatic and practical, knowing that they must adapt to the environment. What is more, Hong Kong people today are well-educated, and may have ideals and aspirations. It seems that the current generation in Hong Kong today, even those in my age group, has begun to disagree with the philosophy of resigning to fate, and found that there is something wrong with it. They are well-educated and have studied abroad. Also, they are aware that Hong Kong should not be running in this way, and that our political structure should not have come to such a deadlock, or even gone back on the old track. Worse still, there will be an appointment system which is a continuation of a neither democratic nor absolutely repressive regime.

There is currently in society a mismatch between power and resources and wealth, which are overly concentrated on a small group of people. Unless adjustments are made to our political system, otherwise, our political leader will only call on the people to resign themselves to fate, bare their souls with the masters in the North, ask us to rest assured and not to feel scared because he may stop when he should not press on. He will stop after making two more steps, or even go back on the old track. He called on people who used to enjoy free lunches not to worry as the interests of their consortia will sustain, whereas those with vested interests will also remain intact. The attitude of such kind of a politician has, in fact, laid bare our misery today. Donald TSANG will, of course, secure his position if he continues to rule Hong Kong with this attitude because everyone can then rest assured, the leaders can rest assured and people with vested interests in Hong Kong can also rest assured. But most important of all, Hong Kong people must be obedient, hard-working and not think too far ahead. People who can adapt to the circumstances will surely get rich.

As far as the economy is concerned, he suggested, on his own initiative, that the mode of economic development in Hong Kong does not necessarily have any conflict with conservation, the environment and cultural heritage. Who suggested, however, that they are conflicting ideas? The Government has provided billions of dollars for people to replace their vehicles in launching the Action Blue Sky Campaign, but the more important source that has a much greater impact on air pollution is the highly polluting factories in the Pearl River Delta Region and the local power plants. With regard to these major sources of pollution, are there any ways of tackling them? Have they been actually tackled?

As regards the challenges brought about by globalization, the Chief Executive has made a very good analysis by pointing out that some people fail to enjoy the fruit of economic development for such reasons as a failure of their skills to cope, thereby resulting in wealth disparity. He has suggested a few challenges in these areas, but has he given any answers? He said he would leave it to the next term of Government.

As for the issue of minimum wage which we have been fighting for years, the Chief Executive said that the Wage Protection Movement would be launched. I find it most ridiculous for such a Wage Protection Movement to be organized by the Government, which has monopolized the legislative and executive powers. While refusing to legislate on this matter, the Government took the lead to launch the Wage Protection Movement when this kind of social campaign should, instead, be organized by trade unions and other non-government organizations. So, what is the reason for the Government to launch such a half-baked campaign? These fundamental contradictions actually originated from constitutional problems. While the people have aspirations for democracy, the grassroots have demanded minimum wage protection, in the face of wealth disparity and working poverty. Yet, the Chief Executive has turned a blind eye to these core contradictions, and merely called on the people to resign themselves to fate. Should this policy of resigning to fate continues to prevail, I really hope that the Chief Executive will wake up. In the face of so many challenges, can the businesses of Hong Kong be handled by a so-called "politician" without any soul, vision, moral ethics and courage, or an agent whom I can hardly describe as having political leadership? Can we simply spread out two hands and say, "Never mind, my lord, we will do as you say; it does not matter, moguls, we will do as you say; and I will make Hong Kong people as meek and obedient as they can be"? Is this the mode of governance we want? Even so, I am afraid that Hong Kong people are not as stupid as the Chief Executive thinks and fail to notice any problem, and become so blinded by the political spinning and public relations tactics to think they have already had the best. Today, Hong Kong people will not resign to fate, neither will they be convinced. I believe such philosophy of governance will only induce more social contradictions. I hope that the ruling team of the SAR Government will do some soul-searching. Thank you, President.

MR PATRICK LAU (in Cantonese): President, some people say that the lack of a future policy direction in this policy address delivered by the Chief Executive is

due to the fact that he does not want to disclose his election platform too early as he has the coming election in mind. I think it is a rather unfair statement. In fact, there are only eight months in this tenure for him to fulfil any pledge, therefore, it would be a difficult job for anyone in his place. If one talks too much about the long term, one will be criticized as being false, grandiose and empty and as issuing blank cheques; if one is being a little bit more pragmatic, one will be described as not being able to deliver and failing to deliver, so one is really finding oneself between the devil and the deep blue sea.

I consider this policy address to be practical and whatever is proposed is achievable. It is not perfect, and there is still room for improvement.

President, concerning the part on effective governance, the Chief Executive, Mr TSANG, proposed in his previous policy address that he wanted to practise strong governance and make changes to the structure of governance, with a view to reducing the territorialism in departments and enhance efficiency. However, in the past year, not only has there not been any diminution of territorialism, quite the contrary, things have taken a turn for the worse. The reason is that it is difficult to reassemble work that has been taken apart. In particular, in departments responsible for planning, lands and works, after the occurrence of the incident involving LEUNG Chin-man, a lot of officials can only do things by the book and we can by no means take this matter lightly. Therefore, I think the Chief Secretary for Administration has to look at this problem seriously and find ways to fix it by sorting out the division of work and co-ordination among departments and ensuring that the work of the Bureau Directors and Permanent Secretaries will be sufficiently co-ordinated, so as to check the further spread of territorialism and avoid affecting the ability of the Government in governance.

However, I have reservations about the government proposal to create positions of Deputy Directors of Bureau to assist Bureau Directors in their work. It is said that the more the competitors, the keener the competition, so this proposal runs directly counter to the principle of "small government" often stressed by the Government. Under the present preliminary proposal, representatives of various political groups will be invited to join the bureaux under a "pie-sharing" arrangement and as a result, the entire system will become neither fish nor fowl. In this way, policies can be formulated only by playing the game of deal-making. This will create a great deal of hassle for officials responsible for policy enforcement.

Policies have to be implemented with continuity. If officials under the accountability system have to be reshuffled as frequently as if they were on a merry-go-round in order to balance the interests of various political parties, with the result that policies vacillate and instances of repudiating what was done before occur all the time, such that those responsible for policy enforcement will be nonplussed, it will deal a severe blow to the morale of the Civil Service and the prestige of the Government in governance will also be eroded.

If we want to reduce the onerous political work borne by Bureau Directors, we had better split the posts of the Bureau Directors who are responsible for a number of policy areas into several posts and make a Bureau Director responsible for a specific area. I believe that doing so will achieve the desired effect. Moreover, this will save the additional expenditure otherwise incurred in recruiting Deputy Directors of Bureau and Assistants to Directors of Bureau, so that the principle of "small government" can continue to be adhered to and major changes to the political structure can be obviated. This will be even more favourable to the stable development of Hong Kong.

In addition, the policy address proposes to encourage the use of arbitration to resolve disputes, so as take some weight off the increasing workload of the Courts. I very much support this proposal, however, it is necessary for the Government to complement this move with appropriate publicity and education to enable more members of the public to gain an understanding of this channel. In particular, there has recently been an increase in disputes between owners and bodies corporate and between housing estates and the Housing Department. In future, after the passage of the Building Management (Amendment) Bill 2005, it is believed that even more disputes will have to be resolved. Therefore, the Secretary for Justice should strengthen communication with the professionals and step up publicity targeting the general public, so that they can know what recourse they have when they encounter problems, disputes can be resolved outside the Court as far as possible and the goal of building a harmonious society with effective governance can be achieved.

I so submit. Thank you, President.

MR CHEUNG MAN-KWONG (in Cantonese): President, today, I wish to summarize the issues relating to democracy and governance in the past two years under the Chief Executive, Donald TSANG. My speech is divided into six parts.

The first part is that Donald TSANG's claim of being people-based in fact cannot disguise the injustice in politics. The policy address keeps stressing being people-oriented, however, being people-oriented cannot be equated with democracy but it can be equated with top-down governance. This is an approach in governance, but it is not the democratic approach.

In feudal society, the power of the monarch overrode human rights and the idea of being people-oriented originated from the people-based thoughts of Mencius, who said that the populace came before the monarch. That is to say, from a feudal point of view, this is being progressive because the populace should be loved as though they were one's own children and it was regarded as a benevolent act on the part of the monarch. However, in modern society, monarchy does not exist any more and the emphasis is on human rights. Without democratic elections, without the people's mandate, who can say condescendingly that one's governance is people-oriented and expect the populace to be grateful for it?

In contrast, in a society without democracy, the repeated emphasis on being people-based betrays a guilty conscience and an attempt at camouflage, that is, to camouflage the lack of democracy in society and give the illusion that although there is no democracy, there is a good Chief Executive who loves his people and always has the people in his mind when doing everything. Moreover, he is also people-oriented in governance. This is an era in which power assumes a schizophrenic dimension and people-based governance is tinged with the regrets of the people and the regrets of democracy. Therefore, being people-oriented cannot conceal the political injustice.

The second part is that only being democracy-oriented is the foundation of modern society. The power in modern society is derived neither from the Divine Right of Kings nor the preordination by the patriarch nor the donning of the emperor's robe by a small circle, rather, it is vested by democracy and universal suffrage and authorization by the people through "one person, one vote". If leaders in modern society have not gone through the baptism of universal suffrage, they have no power to implement people-oriented governance. However, the power in Hong Kong was transferred from the colonial government to the SAR Government but human rights, in particular, the most important right of election, have still not been secured. I think the elderly person aged 78 who placed an advertisement earlier will turn 80 soon, however, he still cannot see the advent of universal suffrage.

The SAR Government often bemoans that it has power but no votes and it does not have a strong ally in governance in the Legislative Council. Such bemoaning is really aimless and fruitless. Since it lacks the backing of voters and has not obtained any authorization through elections, so why can it possess any power? To put it more straightforwardly, without the backing of voters, it should not be given any power and if it has power, it should thank its lucky stars, so why should it bemoan anything? Therefore, if Donald TSANG wants to be a politician, the only thing he can do is to remedy the shortcomings of our times by practising democracy, so that Hong Kong can leave the feudal age and the rule of man far behind and head towards the modern age and democracy, such that Hong Kong people and the elderly person aged 80 can all see the advent of universal suffrage.

The third issue is that Donald TSANG has missed the opportunity to strive for democracy. The prime culprit that led to the downfall of TUNG Chee-hwa was the legislation on Article 23. Had the draconian course of legislating on Article 23 not been taken, 500 000 people would not have taken to the streets, TUNG Chee-hwa would not have felt the pain in his legs and Donald TSANG would not have become the Chief Executive. One can say that it was people power that made TUNG Chee-hwa step down, and it can also be said that Donald TSANG has benefited from people power. The rally of 500 000 people is the pride of Hong Kong people, however, it could only make TUNG Chee-hwa step down but not hasten the birth of a democratic political system. This is another regret of our times. However, the process of replacing the Chief Executive was still a black-box operation still preordained by the patriarch. It is still the crowning of the emperor by a small circle which cannot be described in the least bit as democratic.

Donald TSANG has not fully understood the source of his power. He did not face up to the reality that 500 000 people, in rallying under the scorching sun, had voiced a strong aspiration for democracy apart from calling for TUNG to step down. At the critical moment when the fate of the constitutional reform proposal was to be sealed, he did not have the courage to make representation to the Central Authorities on behalf of Hong Kong people by saying that even if universal suffrage could not be introduced in 2007 and 2008, there must still be a timetable for universal suffrage. If he is evaluated according to the standards of democracy, he cannot be considered a politician as he lacks the courage of General PANG Dehuai in Chinese history, who was willing to rally together with the people.

Donald TSANG still continues to rule in a top-down approach and to delay the advent of democracy. Furthermore, he has established a camp for conservatives by tasking the Commission on Strategic Development (the Commission) with studying constitutional reform and submitting a report to the SAR Government. The Commission is tantamount to another political base at which a lot of anti-democratic forces have rallied. The Legislative Council has been consigned to the limbo, stripped of the initiative to hold discussions on constitutional reform. Therefore, the establishment of the Commission is in fact a premeditated design to cause delays and a murder foretold to nip democracy in the bud.

The fourth issue is that the differentiation of closeness in relationship is an irrational approach to governance. Donald TSANG, in order to resolve the impasse of having power but not the backing of voters, has rallied the pro-government parties in the legislature by proposing a way of governance which differentiates between close and distant relationships. However, the differentiation between close and distant relationships is an irrational policy that runs counter to democracy. What such differentiation stresses is political relationships and affinity, which will encourage irrational loyalty and opportunism. As in the case of the passage of the Interception of Communications and Surveillance Ordinance, those who supported it were not necessarily rational and those who opposed it may not have considered the matter thoroughly either. To allow the importance of affinity to assume greater importance than the merits or demerits of policies is in fact anti-intellectual behaviour.

When the differentiation between close and distant relationships is wedded with small-circle election, the soil for breeding collusion between the Government and businesses and the exchange of benefits is ploughed. When a battle on electing the Chief Executive begins, the differentiation between close and distant relationships will sometimes transform quickly into transactions involving benefits and votes. For example, the proposal on providing smoking rooms in respect of the anti-smoking legislation is wrong not because the Government is not making adequate efforts to ban smoking, only that votes had wreaked mischiefs. The most famous work written by ZHUGE Liang is "Memorial on Dispatching the Army". In it, he advised LIU Bei's son, Emperor LIU Chan, to "associate with worthy officials and stay away from petty individuals". Even in feudal society and in the feudal age, the emperors knew that the closeness and distance in relationships should be differentiated according

to whether people were worthy officials or petty individuals and in here lies the evident the basis of rational governance, so it goes without saying this is also applicable to a modern politician, Donald TSANG.

The fifth issue is that political spin is an improper pursuit that attends to trifles to the neglect of essentials. Today, the differentiation between close and distant relationships has only made a brief appearance, however, what has appeared together with such differentiation is the "spin doctor". In fact, "political spin" nowadays is not merely about hugging children in the streets, telling stories in book fairs, picking up rubbish in the streets or taking the mass transit railway from time to time. These actions are only the ABCs of "political spin" and the popularity show that the Chief Executive finds it necessary to perform, which is acceptable. However, the truly powerful function of "political spin" is to establish a command for psychological warfare to unify the mass media and public opinion, as in the case of the Goods and Services Tax, in which information is released selectively so that the direction of the reports in the mass media is dictated, a high popularity rating is created in opinion surveys and popular support is used as the capital to win the support of the Central Authorities, so that they will strongly back him in securing another term of office. "Political spins" have in fact damaged press freedom and nowadays, the rating of press freedom in Hong Kong has fallen from 39th to 58th place. Although there are many reasons for this, is one of them the excessive "political spin" applied and the excessive intervention of the Government?

Politicians must bear in mind that at the end of the day, "political spin" is not political achievement and no matter what Donald TSANG's true face is behind the mask, he cannot use "political spin" to cover up social contradictions. People all like to watch shows but they attach even greater importance to their livelihood. After the delivery of the policy address this year, the popularity rating of Donald TSANG has plummeted. This is because apart from the measures in education and environmental protection, other measures have fallen far short of the expectations of the public for their livelihood, and despite all the tricks in "political spin", how can something blank possibly be turned into a rainbow and something rotten into a miracle? Therefore, "political spin" is an improper pursuit that attends to trifles to the neglect of essentials. Sometimes, it is even the LSD and ecstasy for politicians, and those who govern will be carried away by the plaudits of public opinion surveys. However smart such calculations may be, they may backfire and the outcome may be

counter-productive and one will stand to lose more than he will gain, so why should Donald TSANG indulge himself in this?

The sixth issue is that democracy should be the cornerstone of modern politics. If we review the two-year tenure of Donald TSANG, we will find that he has tried to break through the limitations and destiny that trapped TUNG Chee-hwa by proposing a half-baked constitutional reform proposal, implementing a pattern of governance in which the affinity in relationship is differentiated and relying heavily on political spin to sway public opinion. However, all these moves cannot improve the relationship between the executive and the legislature or avert the fatal problem of preordination and small-circle politics, so his governance, which lacks democratic and universal suffrage as the basis, is in the final analysis not genuine strong governance.

Democratic politics is the cornerstone of modern politics and there is no room for tricks or stealth. The Government has ridiculed the democracies in Asia because of the military intervention, corruption and lack of the rule of law in them. Donald TSANG even said that even with democracy, peace will not necessarily prevail. Such criticisms and ridicules amount to the pot calling the kettle black. As I have said before, such comments are tantamount to seeing a speck in the eyes of other people but not seeing the plank in our own eyes. Who says that peace will definitely prevail if there is democracy? Who says that one can avoid all future troubles by introducing universal suffrage? The true value of democracy and universal suffrage does not lie in how the Government governs, but how the people choose. This is what people-oriented governance is really about. Through elections, people have the right to choose and change the Government, instead of just being the object to be exploited in governance. What returning power to the people and vesting power among the people mean is to accord the highest priority to the right of the public to choose, rather than having an executive system led by officials, still less any self-proclaimed strong governance.

This policy address delivered by Donald TSANG is the summary of the work done by a transitional Government, however, everyone knows that this is the start of another round of the politics of preordination. In fact, Donald TSANG will take part in the Chief Executive Election and as he himself said, "Constitutional reform is one of the three major challenges facing the Chief Executive and a historical responsibility that no Chief Executive can avoid.". Hong Kong people yearn for democracy, however, democracy is still a distant

goal and an unfulfilled dream for them. This is a responsibility that Donald TSANG must assume and a test of whether Donald TSANG is a politico, or a politician with courage and vision. However, members of the public who support democracy and political parties and groups in the pro-democracy camp which fight for democracy can by no means pin their hope on a preordained Chief Executive. A Chinese saying says that one should shoulder the worries if he receives some favour from others. The provenance of power decides the thinking and position and this is a principle that has stood the test of time. In future, if the pro-democracy camp wants to strive for the realization of democratic politics inside and outside the establishment, at least, it will have to secure a timetable for universal suffrage, so that democracy can really become the cornerstone of the people and universal suffrage will become the foundation of the Government, thereby completing the struggle and mission of ours in this generation.

President, I so submit.

MR WONG KWOK-HING (in Cantonese): Madam President, in this session of the debate on the Motion of Thanks, I will focus on the issue of the contract system for civil servants.

The authorities launched the Non-Civil Service Contract Staff Scheme (the Scheme) in 1999 to enable various departments to employ staff in a flexible manner outside the civil service establishment to meet the demand for non-permanent services. Since the launch of the Scheme, close to 15 000 full-time non-civil service contract employees have been recruited to work in 60 government departments and they are equivalent to nearly 10% of the establishment. The contract period for 85% of these employees is no more than two years and half of them earn a monthly salary of between \$8,000 and \$16,000.

Although in a number of meetings concerning civil servants, the officials concerned have tried to exonerate various departments by saying that heads of departments had not abused the system, the Scheme was originally designed only to cope with "non-permanent services". Madam President, do various departments really have such a lot of "non-permanent services" to cope with? If various departments are on the face of it trying to put into practice the idea of

"streamlining" and "small government" but are actually using this Scheme as a banner to present a decent account, downsize the establishment and then transfer the daily work to contract staff, will this move affect the quality of government services?

Further, pensionable civil servants enjoy stable income and benefits, whereas contract staff members are only mercenaries who have no job security. Whether they have to leave or can remain on expiry of their contracts depends entirely on the decision of their superiors and they have no control whatsoever on contract renewal. Madam President, come to imagine this: pensionable civil servants and non-civil service contract staff co-exist in the same civil service establishment and this has given rise to the situation of same work but very different pay and benefits. In the past, joining the Civil Service is for life and a job in it is an "iron rice bowl", however, working in government departments nowadays is a matter of merely getting by each day and there is a lack of certainty. One has to worry frequently about what to do after the expiry of one's contract. How can this group of colleagues devote themselves to their work and provide stable and proper services to the public? A case in point is that more than 100 front-line cleansing workers in the Food and Environmental Hygiene Department have worked for more than eight years in a row and during this period, they have signed more than 23 contracts. The shortest tenures of these contracts were one month, three months or six months and the longest was one year. Madam President, if the Government takes the lead in implementing the contract system in this way, how possibly can there be good labour relations in Hong Kong? How can this practice of the Government set a good example for employers? I hope the Chief Secretary for Administration, who is the head of the Civil Service and who is present, has heard my appeal.

Separately, although the pay and benefits of contract staff lag far behind those of pensionable civil servants, they are in fact not very different from those offered by private companies. A lot of private companies do consider employees who have worked as civil servants to be a cut above the rest, so capable staff members will of course look for greener pasture and government departments have effectively become the training grounds for private companies. If government departments cannot retain talented people, this will be tantamount to wasting public funds and subsidizing the private sector by training talents for the latter.

Madam President, on 18 October, when Secretary Denise YUE replied to a Member's question in the Legislative Council, she pointed out that the Government would not introduce any scheme to enable contract staff members who had worked in the Government for a period of time to become civil servants. The Bureau only accepts applications made by existing non-civil service contract staff members to fill civil service posts through open recruitment. She cited fairness as the reason for this arrangement. Of course, it is difficult for anyone to find fault with this. However, if contract staff members have always been involved in the relevant work and their performance has been satisfactory, that means they are competent in the relevant posts, so why do they have to apply for the posts all over again? Will they definitely be successful in their applications? If they fail in their applications, they will lose their jobs.

Therefore, this practice of the Government cannot give contract staff members a job with prospects. After contract staff members have worked for a year or so, they have to worry about whether they can still keep their jobs and even if their contracts are renewed, it only means that they can go on working but there is no opportunity for advancement whatsoever. Is it fair for the Government to treat non-civil service contract staff members like this? Will this help win the hearts of the people?

I hope the Government can listen to my appeal, review the system for non-civil service contract staff accordingly and give us a satisfactory reply.

Thank you, Madam President.

DR YEUNG SUM (in Cantonese): Madam President, the title of the Government's policy address this year is "Proactive, Pragmatic and Always People First". In paragraph 68, which is part of the conclusion, it is stated that the Government has to "keep its feet firmly on the ground, and not be hamstrung by ideology or slogans". Ironically, in the one and a half years under the rule of Mr TSANG, the number of slogans on governance proposed by the Chief Executive is by no means less than under TUNG Chee-hwa's reign. From "strong governance" to "differentiating between close and distant relationships" to the "pragmatic politics" of late, they all reveal that the Government is using simplistic slogans to convey messages of governance to members of the public.

I have no doubts about the determination of Mr Donald TSANG in governing Hong Kong, however, due to the limitations of the system, I am afraid it will be easier for Mr TSANG to differentiate between people who are close and distant — it will be easier to distance himself from the pro-democracy camp, which does not support the Government indiscriminately — however, it will be very difficult to achieve the goals of strong governance for the people and pragmatic politics.

No matter how many years there are in the tenure of the Chief Executive, he cannot shy away from one fact, that is, he has not won the mandate of the public through election by universal suffrage. He only answers to the Election Committee consisting of a small circle of 800 people. Coupled with the fact that the Legislative Council is made up of some representatives of the public who were returned through functional constituencies comprising a very small circle of people, the sectoral demands advocated by these representatives are blown totally out of proportion in this legislature. The Chief Executive, finding himself in such a queer system, does not have to answer to the public when seeking another term of office and he has to answer mainly to these sectors.

Mr Donald TSANG proposed strong governance when he first assumed office. As matters now stand, there is no longer any strong governance and his work in this regard has not been particularly outstanding. What is left is to make compromises with various sectors and let them have a slice of the pie.

One of the most obvious examples, Madam President, must be the anti-smoking issue. I suspect that for the sake of votes, the Government has gone to such lengths as to bow to the demands of the industries and use public funds to study the feasibility of providing smoking rooms. The Government, in doing so, has no doubt abandoned its principle of opposing smoking, to which it has adhered for many years. At that time, in the meetings of the bills committee studying the anti-smoking legislation, the Government had stressed a number of times that it would not consider the provision of smoking rooms. It voiced its opposition to this measure for as many as three times, either on technical grounds or as a matter of principle. However, last Wednesday, at the resumption of the Second Reading of the relevant bill, the Government took a very unusual move at the last minute, saying that it would spend one or two years' time and public funds to study the feasibility of providing smoking rooms. Apart from being a political transaction, what other more reasonable explanation can Members suggest?

I believe that had the Chief Executive been returned through election by universal suffrage, he definitely would not have bowed to the interests of a small number of industries, such that the Government has left a gap in this issue of a total ban on smoking and there is still the likelihood that the public will inhale second-hand smoke, thus putting their health at risk. It can be seen from this example that the claims of "strong governance for the people", "proactive" and "pragmatic" are just designed for the business sector.

It can be seen from this example of the anti-smoking measures how important universal suffrage is in building a fair, open and democratic society. A leader elected by the public has obtained the authorization of the public in administration and he can put into practice his beliefs in governance as set out in his election pledges. Every member of the public has equal rights in electing the Chief Executive and in doing so, reflect his aspirations and affect governance by the Government, rather than a particular person or a particular group holding particularly strong sway — or having particularly strong influence in the Election Committee — and winning special attention from the Government at the expense of public interests.

In the past, the process of electing the Chief Executive, no matter if it involved 400 or 800 persons, was filled with a sense of absurdity. As long as a candidate for the Chief Executive had the blessing of the Chinese side, he would then be able to successfully coax members of the Election Committee into giving him various types of interests or benefits. Moreover, he could secure another five-year term of office without having to face the public. If he is lucky, he can continue to serve another term even though he has nothing to deliver in administration, as long as the Central Authorities have indicated that he is their choice and he has the support of members of the Election Committee, as in the case of the former Chief Executive.

However, this type of political system has led to the politics of making reckonings. For fear of the reckonings from members in the Election Committee and being wary of any backlash from them, and in order to get elected with a high number of votes and secure another term, the incumbent Chief Executive has to formulate policies that will give these people benefits and protection in politics. Therefore, the strong governance advocated by the Government is, in the final analysis, designed to serve the small circle in the Election Committee. In general, the existing political system has its inherent limitations and the Chief Executive lacks credibility. Besides, it does not have

the support of political parties holding the majority of seats in the Legislative Council, so strong governance is in the final analysis just an illusion, something desirable and yet unreachable.

If the SAR Government is not willing to face the shortcomings in the political system, the difficulties in governance experienced by the Government will only recur endlessly. In retrospect, a number of proposals and policies such as the West Kowloon Cultural District Development, the constitutional reform proposal put forward by the Government, the issue of health care financing, the anti-smoking legislation and the Goods and Services Tax all met various degrees of resistance and opposition in the Legislative Council. The governance by the Chief Executive is not geared towards the public and it does not have the support of Members in the Legislative Council. Each time, he had to exert his utmost and endure all sorts of hardships before he could barely push policies through. As regards the so-called ruling coalition, it was nowhere to be seen when the Government badly needed it.

To improve governance by the Government, moving towards universal suffrage is the only way forward. On dealing with the issue of universal suffrage, the Democratic Party has already submitted a proposal to the Government, in which it proposes that the Legislative Council should serve as the nomination committee for the Chief Executive Election and that the Chief Executive be elected by "one person, one vote". As regards the Legislative Council, elections of geographical constituencies through the "single-seat, single-vote" system and franchise through the "proportional representation" system should be adopted. Through a fair, open and just electoral system, members of the public will have equal rights in electing the Chief Executive and all Members of the Legislative Council, so that a political system in which the Government is accountable to the public can be established.

Only when the shortcomings of the political system are addressed and a democratic system established can the administration by the Chief Executive have full public backing and represent the wishes of the public. Only with the support of genuine political allies in the legislature will government policies be implemented smoothly. I hope that the Government can consider the proposal put forward by the Democratic Party and implement it as soon as possible, so that the Government can outline a timetable and roadmap for universal suffrage as soon as possible to enable the SAR to take strides towards the goal of universal suffrage.

Madam President, I also wish to talk about the system of political appointment proposed by the Government. According to the Government's proposal, the aim of the Government is to groom political talents, therefore, such posts as Deputy Directors of Bureaux or political assistants will be established. However, I can see that this scheme is designed only to reinforce the ruling team of the Chief Executive and this will only lead to the problem of an even more bloated system of political appointment. In fact, there are many other desirable ways to groom political talents. Firstly, universal suffrage should be introduced to increase the opportunities for political participation; secondly, power should be devolved to District Councils and the present working conditions of the Legislative Council can be improved, or health care or retirement programmes can be introduced. I believe only in these ways can political talents be groomed for Hong Kong in the long run. I believe the so-called political appointment system proposed by the Government now will only be counter-productive as it will inflate the political appointment system without enhancing its efficiency.

Thank you, Madam President.

MR RONNY TONG (in Cantonese): President, the Chief Executive is indeed a man who keeps his promises, so true to his words, he did not mention constitutional development in any light in the past year. However, it seems he has forgotten that the duty of a leader is he cannot take the path of least assistance and still less the attitude that as long as one does not talk about something, it no longer exists. Unfortunately, the Chief Executive did not seriously reflect on why the proposal on constitutional reform last year could not gain the support of two thirds of the Members in the Legislative Council. Instead, he saddled all the responsibility and blame for the failure of the constitutional reform proposal on Members of the pro-democracy camp in the Legislative Council. Not only is this most unfair, it is also extremely irresponsible. We really do not know if, up to now, the Chief Executive has truly grasped the grounds on which the pro-democracy camp opposed the constitutional reform proposal and what its expectations are.

The Chief Executive has handed all discussions on constitutional development to the Commission on Strategic Development (the Commission). However, the great majority of the members in the Commission are appointed by the Chief Executive but only a few Members of this Council who are

representative of the public sit in Commission like ornaments. How possibly can the Commission have credibility? It is really good on him to come up with the idea of letting a small circle that is anti-democratic decide the constitutional reform, which the public hopes will move towards democracy. What sort of self-deceiving furtive action is this?

The Chief Executive has turned a blind eye and a deaf ear to this most significant issue of universal suffrage, a concern to all people. He did not even expend a word on this issue in the policy address. He has shown utter contempt for the aspirations of Hong Kong people and his constitutional duty, as well as giving up his position as a leader of society of his own accord.

What fills one with even greater righteous anger is that in the Question and Answer Session, the Chief Executive blatantly — and I am only saying blatantly — extended his palms to ask the pro-democracy camp what proposal on constitutional reform there was. I hope the Chief Executive has not been living on Mars in the past year. If he has been living in Hong Kong, he should have read countless proposals on universal suffrage in the newspapers. I hope the Chief Executive will stop deceiving others and deluding himself. How many variations can there possibly be to any proposals on universal suffrage that can truly meet the requirements of the Basic Law? I have personally pointed out on countless occasions and through various media that according to Article 45 of the Basic Law, the selection of the Chief Executive by universal suffrage should follow the nomination by a broadly representative nominating committee in accordance with democratic procedures. The simplest and most direct method is to turn the existing Election Committee into a nominating committee and introduce a proportionate number of elected representatives. Candidates running for the Chief Executive can be nominated according to a reasonable and democratic process, then Hong Kong people can vote on them by "one person, one vote". Why is it that the discussion on constitutional reform proposals cannot be based on the fundamental requirements stipulated in the Basic Law? Why is it necessary for the Commission to remain entangled in the issue of whether democracy will be favourable to Hong Kong?

As regards the formation of the Legislative Council by universal suffrage, it is all the more simpler. Article 68 of the Basic Law only requires the Legislative Council to be formed by universal suffrage. That is to say, it is only necessary to abolish the functional constituency seats. Why can we not embark immediately on a discussion on how and when to abolish functional constituency

seats? Why is it still necessary for the Commission to be entangled in issues such as whether a bicameral system should be introduced?

The Chief Executive, in opting not to take the thoroughfare, gives people the impression that he lacks sincerity, is evading the issues and prevaricating, so how can people be won over wholeheartedly to work together with him for the welfare of Hong Kong people? Still less will they express any gratitude for this policy address that shows contempt for the aspirations of Hong Kong people concerning the political system.

Thank you, President.

MS LI FUNG-YING (in Cantonese): President, the Chief Executive has delivered his second policy address in his present tenure, or one can say the last policy address in his first tenure. It can be summed up in three words — to be continued, or there will be a sequel to this matter. I do not know if the best part has been reserved for later and I cannot say that there is nothing novel in the policy address delivered by the Chief Executive. The Chief Executive's greatest novelty in the policy address is that he did not follow the book and included some additional concluding remarks. In his concluding remarks, he quoted two lines from the work of an ancient poet, SU Shi, *A Reply to XIE Minshi*, "act when you should act, and stop when you should not press on", as the portrayal of his leadership of the SAR. SU Shi used these two lines to describe his experience in writing and posterity interpreted this to mean that being natural is a virtue in writing. However, in his political career, what SU Shi did and desisted from doing was the direct opposite of his style in writing, otherwise, he would not have raised his opposition when WANG Anshi was wielding great power and implementing his new administrative measures at full steam. Nor would he nearly perish in jail for writing lampoons on the contemporary politics, and still less would he be demoted and posted in his old age to Qiong Jiu, a place of wilderness at that time which is called Hainan Island nowadays. In comparison, the bureaucratic career of SU Shi is no match for that of the Chief Executive, which is a lot more felicitous. However, I can only say that the Chief Executive, in using the insights gained by SU Shi in writing as his appreciation of life, is being full of dark humour. To a political leader, the standards he adopts in deciding what he should and should not do is the key in distinguishing a politician from a politico.

If the Government does not introduce legislation on a minimum wage and standard working hours and if it does not change its position on the anti-smoking legislation by considering allowing restaurants or food establishments to provide smoking rooms, so that the Chief Executive can be evaluated according to what he decides to do and desist from doing, I believe the labour sector and society will all be disappointed.

In early September, when I conveyed my views regarding the policy address to the Chief Executive, the first point I made was to request the Chief Executive to seriously reflect on the fundamental problems of Hong Kong in the policy address, so that the third tenure of the SAR Government would benefit from this. In his policy address, the Chief Executive suggested three major issues: how to sustain economic development, how to further the development of a democratic political system and how the conflicts arising from the widening wealth gap in society and stalling social mobility can be resolved. I agree with the comments of the Chief Executive, that these three challenges will have to be addressed and considered collectively by society in future. However, what I cannot understand is why, from time to time, the Government aggravates these problems that we have to face collectively in policy enforcement.

A ready example is the government proposal to levy the Goods and Services Tax (GST). Will this policy alleviate the disparity of wealth in Hong Kong or will it worsen the wealth gap in Hong Kong? When society points out that the progressive nature of the GST will widen the wealth gap, the response of the Government is that whoever opposes the GST has to put forward a proposal to broaden the tax base for the Government. The doubts expressed by society concerning the GST are precisely founded on the concern that the wealth gap will widen and social mobility will stall, which will prevent the resolution of contradictions. However, the attitude of the Government displayed in its responses is definitely not that of pondering, facing and solving problems collectively.

The Chief Executive believes that the success of Hong Kong hinges on the pragmatism of its people and on not engaging in ideological debates or utopian social engineering. I wonder if the Government, in implementing a qualifications framework and saying that every industry will have its own doctors, is not engaging in utopian social engineering. In fact, this project has been launched before there is adequate discussion in society. I do not oppose the pursuit of further studies by employees to raise their standards, however, I have

great reservations if further studies become a social shackle on employees who want to retain their jobs. I believe that now, when employees in Hong Kong regard overtime work as the norm, the conditions conducive to the pursuit of further studies by employees in the labour market are not ripe. Moreover, the Government has not put in place any measure to promote the qualifications framework in all trades in Hong Kong and embrace all employees. The fine excuse is to raise the quality of the workforce, however, in reality, even greater pressure is exerted on employees who are already bearing a heavy burden, so the effects are both wide-ranging and far-reaching.

I oppose any utopian social engineering attempts and, at the same time, I also disagree with sole reliance on the conscience of individuals rather than the legal system to enable social justice to be seen to be done. The Chief Executive proposes the launch of a Wage Protection Movement instead of legislating on a minimum wage and standard working hours, so this is a measure that relies on the conscience of employers to protect the interests of workers. President, concerning the issue of legislating on a minimum wage, I will leave it to the next session for discussion in greater detail.

The paragraph added by the Chief Executive to the end of his policy address begins by reviewing his career as a public officer. The Chief Executive said that the past four decades had been a wondrous journey for him and there is no doubt about this. However, it is another dose of black humour in the policy address for him to apply his appreciation of life to middle-aged people of about the same age of his. In the face of economic restructuring, the people in society who feel the most at a loss and whose standard of living is declining continuously are precisely those people who are of about the same age as the Chief Executive. To them, their life journey is interlaced with blood and tears and it is by no means as wondrous as that of the Chief Executive.

In this Legislative Council, I have requested the Government to change its existing policy on outsourcing non-skilled government services by changing the present goal of saving public expenditure by using the market mechanism to that of solving the problems confronting low-skilled workers by introducing reasonable wages and working hours. The people targeted by this proposal are none other than those middle-aged people who are about the same age as that of the Chief Executive and who cannot share the fruit of economic development in Hong Kong in the past four decades.

President, the Chief Executive takes pride in succeeding in controlling the civil service establishment and the pay of civil servants. However, in many instances, the downsizing of the establishment and the reduction in pay are achieved by outsourcing the work and jobs, as well as filling the posts with employees on non-civil service contract terms. In other words, it is not the case that the work involved is unnecessary, rather, in order to meet the targets relating to the expenditure and establishment, the Government has chosen to maintain the services by adopting measures outside the civil service establishment. Now that the goal of reducing the civil service establishment and the expenditure has been attained, what the Chief Executive has to do is not to pen a few lines in praise of the excellence of and contribution made by the Civil Service, but to tidy up the aftermath of downsizing the establishment and cutting expenditure, for example, to include employees who have been hired on non-civil service contract terms for extended periods of time in the civil service establishment. The Secretary for the Civil Service said earlier on that the relevant arrangements were being reviewed, however, the inclusion of non-civil service contract staff in the Civil Service must fulfil two principles, that is, it must not run counter to the target of keeping the civil service establishment at 160 000 persons and it is necessary to prove that the services concerned must be provided by civil servants. If these two principles have to be fulfilled in the review, I am worried that the outcomes of the review will only be counter-productive and more posts in the establishment will be outsourced, thus aggravating the situation of same work but different pay in the Civil Service and dealing a further blow to the civil service team.

At the end of this year, the Government will complete the pay level survey and the recommendations will be implemented next year. However, concerning this civil service pay level survey, there were already queries concerning the organization chosen to carry out the survey. It can be said that on this issue of the civil service pay level survey, cracks have appeared in the mutual trust between the civil service team and the Government. In the future, one major challenge of the SAR Government will be proper handling of the results of the civil service pay survey. I suggest that the Government resolve the disputes that may arise from pay adjustments through collective negotiations to pre-empt an escalation of the crisis.

President, the Chief Executive said in the conclusion of the policy address that an optimist sees every challenge as an opportunity; a pessimist only sees trouble in every opportunity. The Chief Executive says that he is an optimist

and he believes most of us in Hong Kong are, too. I can only say that the majority public are optimistic about the bureaucratic career of the Chief Executive, but as regards the challenges that Hong Kong is facing, I believe Hong Kong people are pragmatic and whether they are optimistic or not will depend on how the Chief Executive leads Hong Kong into the future. Thank you, President.

MR ALBERT HO (in Cantonese): President, the Chief Executive quoted a line written by SU Shi, "act when you should act, and stop when you should not press on.". This line in fact reflects two kinds of attitude or personalities: one of them is that found in clever politicians who are opportunistic and circumspect, knowing when to advance and retreat, while the other kind is found in politicians with conviction who show commitment, analyse the situation and advance or retreat according to principle. Which kind does the Chief Executive belong to? We can make an analysis and pass a judgement. However, unfortunately, the policy address of the Chief Executive has been widely criticized as lacking in beliefs and vision.

In addition, the style of governance of the Chief Executive is also a target of criticisms. Mr LEE Wing-tat has talked about the pride and prejudice of the Chief Executive and senior officials, who were not popularly elected but were preordained. I believe many Honourable colleagues may share the same feeling in varying degrees. I believe this is not related to personality but a natural product under an undesirable system.

I have been involved in politics for many years and a lot of people have asked me what my thoughts on the operation of a democratic system are. Do I really think that democracy is a perfect system? In fact, a lot of discussions and academic research have provided a wealth of information and exposition on this, so I am not going to repeat them. I only wish to make one heartfelt comment, that is, people who have gained power by going through the baptism of the democratic process will be humbled. Being humble will make one receptive to a wide range of opinions and being receptive to opinions will give one insights, and with insights, one's prejudices will be banished and each journey through this process will give one the trust of the people and those who are entrusted will remember the source of their power and remember to whom they should answer and be accountable. This is the most precious thing.

Democracy is certainly not a panacea and it cannot solve any problem, however, democracy is founded on the affirmation that all people are equal in value and are all free. On this basis, all decisions are left to the people. This is the most important belief. We believe that under a democratic system, with its openness and rational debates, the people will continually find the right solutions to problems and they can carry out self-examinations and reviews, make self-improvements and progress all the time.

Given the situation nowadays, the Chief Executive and his officials know that they lack a popular mandate, so in view of such a limitation, how can they strengthen their governance? I believe many consultants in his hall of conceit or command for psychological warfare have tried to think of all sorts of ways. At present, the latest and a further development in this so-called political accountability system is to appoint some so-called deputy directors of bureau or assistants to directors, so that something new can be proposed against such a background, in the hope that the power and even the influence of the Chief Executive can be reinforced.

However, what is the greatest problem with this? I will reiterate several points here. Firstly, one must look clearly at the principles. Since the Basic Law prohibits the Chief Executive from belonging to any political party and he cannot lead any political party, why does he have to create such an appointment system, so that a political group or political party will be formed with the Chief Executive at the centre? Although it does not have a name, it is really a political group or party in nature. If we want the Chief Executive to work with the support of a group in the future, we should sort out this concept and amend the Basic Law.

Secondly, although the Chief Executive wants to enhance his influence and lengthen his baton by further expanding the appointment system, doing so cannot increase his credibility, nor can doing so enhance his accountability to society and the public.

Thirdly, is it really possible to groom the political talents that Hong Kong needs? These officials who are hand-picked and appointed have never been deeply involved in social affairs, gone through the baptism of elections or stood the trials of the legislature, so if you simply tell them they are now politically appointed officials, will they be competent in their jobs? Can they really have a

good grasp of public sentiments and feel the pulse of society? How can they reconcile the pluralistic interests of society and mediate various kinds of conflicts, as we hope politically appointed officials will do? In fact, regarding the entire accountability system, not only will the newly appointed officials face these problems, even existing officials are also facing the same problems.

Fourthly, if the aim is to train people who have experience in taking part in elections, for example, if the Government wants to find people who have taken part in elections before, does it mean that this policy will be skewed in favour of some political groups? Does the Government intend to use some resources to support certain political parties? If the Government's answer is in the negative and it only wants to offer the opportunities equitably, then how can a team sharing similar beliefs and capable of smooth co-operation be established?

Fifthly, how can the power of these so-called newly appointed officials be delineated from the Permanent Secretaries responsible for formulating policies in the Civil Service? If the power cannot be delineated clearly, how the political impacts that these so-called deputy directors of bureau and assistants to directors will have on civil officials, who are neutral and apolitical, can be avoided, so that these neutral and apolitical civil officials will not be politicized unnecessarily?

One final point is that a lot of people are concerned that this will turn into — perhaps this could not be said publicly but it will actually exist — a party cadre system. It is said that these people are invited to join the Government to offer assistance, however, given their influence and connections, it is possible that they will take over the command and have the say over everything. Will things turn out this way? A lot of people do have such a concern. Will there be yet another transfer of power to another tier consisting of party secretaries, who will actually take over the political power, following that from bureaucrats in the colonial era to those on political appointment? These are my queries and I am not asking for answers. However, I have to tell Members — I am not saying that my answer is definitely correct, however, there are really a lot of doubts in society because such a system lacks transparency, accountability and the power is derived not through a democratic process.

President, my next subject is the Commission on Strategic Development (the Commission). After the constitutional reform proposal had been voted

down in 2005, the Chief Executive created a platform of his own and established another base to counter the popularly elected Legislative Council. The Commission has attracted a lot of criticisms which hold that it lacks representativeness and legitimacy and there is no need for me to repeat them here. However, one point that angers people most is that it seems the Chief Executive wants to shift the whole centre of the discussion on constitutional reform to the Commission by tasking the Commission with studying the final model of the constitutional system, drawing up a roadmap and finally, scheming a timetable. President, the Commission is inherently deficient, so this approach is putting the cart before the horse and illogical. In fact, the aspirations in society or the principles laid down by the Basic Law are very simple. The ultimate system that we demand is that of universal suffrage. The major element in universal suffrage is that all citizens have one vote each and participation is universal and equal. This is as simple as that. As long as a model fulfils this principle — I believe Members of the pro-democracy camp will not take issue with this — then we can have discussions and this will not be a reason that prevents us from setting a timetable. However, as we can actually see, what sort of situation has this excuse of discussing the so-called final model led to in the Commission? There is an attempt to distort the principles spelled out by the Basic Law, which include "one person, one vote", equal and universal elections and the major elements of democracy stipulated in international human rights covenants. In fact, in discussing the issues again and again, the design is to seek a review of the decisions made and to violate these principles. At the end of the day, the intention is to trample on democracy, not wanting to let the public enjoy equal rights. All these happenings are characterized by absurdity and warped logic.

President, another claim is the deceptive slogan that there is a need for consensus building. In fact, for many years, over 60% — sometimes as many as 70% — of the people have consistently indicated in clear terms in opinion polls that they supported dual elections by universal suffrage and their implementation in 2007 and 2008. This was also the common platform of various major political parties when they took part in elections in 2000. Is this not a consensus that is rarely seen in democratic societies? Are you saying that only when the several million people in Hong Kong all voiced their agreement and there is not a single voice of dissent that a consensus is deemed to have been reached? If there were a consensus like this, that must be a sham. Therefore, I hope the Government will no longer cite this excuse to delay the implementation of democracy and the drawing up of a timetable.

Here, I point out solemnly to the Government that if it wants to continue to override the Legislative Council, it is being arrogant in the face of the entire society and it is trampling on public opinion. The Government should convene a tripartite convention on the constitution as soon as possible. It is our hope that representatives of the Central Authorities, the Chief Executive himself and various political parties in the Legislative Council will deliberate our future constitutional development together and draw up the earliest timetable possible to take forward democratic development in Hong Kong.

Finally, I wish to talk about the issue of judicial review. Mr LI Kwok-ying has raised a very good subject just now. I agree with many of his views, but the point that I disagree with the most is that it seems he wanted to say that judicial reviews had affected social stability. This is not the point here, rather, it is his blaming it on the public and siding with the Government that I take issue with the most. There are two very obvious causes that led to so many judicial reviews. I believe these causes are even more distinctive and they tally with the reality. First, when the Government formulates policies, the processes and outcomes of many of them are marked by a lack of credibility and fairness and since our legislature does not have an adequate democratic foundation, many members of the public who feel aggrieved can only seek redress from the Court, which commands a greater degree of acceptance and faith. No matter if they can succeed or not, the public feel that this is a channel through which they can defend their rights. We think that if the public want to look for an authority with greater credibility to seek redress and solve their problems, what is wrong about this?

Secondly, our Government, in its pursuit of strong governance, has often neglected and played down human rights and constitutional principles. Let me give two examples. After the Sex Discrimination Ordinance had come into effect, the Government still refused to rectify the problems relating to elections, as a result, the elections held in villages were ruled by the Court of Final Appeal to be illegal. Another even more obvious example is the issue of the interception of communications. In fact, the legal profession in Hong Kong had commonly pointed out that the Executive Order of the Chief Executive was unlawful and no one with any standing in the legal profession dared defend the Government publicly. However, the Government remained headstrong and refused to introduce legislation immediately. I believe the results of the judicial review on this issue have brought shame upon the Government once again. I

think it is absolutely necessary for the Government to carry out self-examination in this regard.

I so submit.

MR DANIEL LAM (in Cantonese): Madam President, the Chief Executive has delivered the last policy address in this term of office. Although some views hold that this address has not dealt with the long-term planning of Hong Kong adequately, I believe that in writing this policy address, the Chief Executive has taken the attitude of proposing less slogans and applying more pragmatism, thus meeting the actual needs of present-day Hong Kong society even more closely.

The Chief Executive states the establishment of the Home Affairs Bureau-Heung Yee Kuk Liaison Committee (the Committee) in his policy address clearly. As a member of the Heung Yee Kuk, I welcome this move very much. For many years, the Heung Yee Kuk has been lobbying for the establishment of an inter-departmental working group for the purpose of solving thorny problems in the New Territories. To the inhabitants of the New Territories, that the Chief Executive has given them a definite response is a laudable measure.

The inhabitants of the New Territories have high expectations for the Committee and hope that through the Committee, the existing livelihood issues in the New Territories can be resolved in earnest. The issues worthy of concern include the use of land resources, the backlog of applications for small house grants, the need to strike a balance between conservation and development and expediting infrastructure development at the border. We strongly request the Chief Executive to pay attention to these problems and begin the work in the foregoing areas as soon as possible, as well as referring the relevant problems to the Committee and the specific committees in the Legislative Council for action.

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

Deputy President, large areas of land on Lantau Island are still awaiting development. The Government has proposed a number of long-term planning

visions and strategies. For example, the project on a logistics park on Lantau Island still remains at the stage of a detailed study; the siting on Northwest Lantau Island for the construction of Container Terminal 10 continues to be held up by a study on the ecology and of course, there is hardly any need to mention the planning for such places as Mui Wo, Tong Fuk, Cheung Sha and Pui O on Southeast Lantau. Apart from disappointing the residents, large areas of land are lying in disuse. This is a realistic portrayal of how the Government has neglected the development of Lantau Island.

Deputy President, with the commissioning of the Disneyland and Ngong Ping 360, Lantau Island has become an important area in the development of tourism. Quite a number of good proposals on how to make better use of the resources on Lantau have been proposed in society, including the construction of an ecological and recreational resort and large-scale sightseeing spots to attract more visitors. However, given that proposals on how to broaden the tax base have recently been put forward and consultation is being carried out on the Goods and Services Tax, I wonder if the Government will reconsider the construction of a gambling-cum-entertainment enclave on Lantau. Apart from promoting tourism in Hong Kong, the gambling and entertainment industries offer an opportunity to increase the tax revenue in Hong Kong. The Chief Executive always likes to draw on the experience of Singapore. The other day, the conservative Singaporean Government also proposed the idea of establishing an entertainment centre. I believe the establishment of a gambling-cum-entertainment centre can attract overseas and mainland visitors on the one hand and increase tax revenue in Hong Kong on the other, so it will be killing two birds with one stone.

Deputy President, transport is an issue of the greatest concern to residents of the New Territories and outlying islands. For many years, be it residents in Northwest New Territories or on the outlying islands and Lantau, the voices calling on the authorities to deal the transportation issue properly have never ceased. Recently, the New Lantao Bus Company (1973) Limited has proposed fare increases, a freeze on manpower and even a reduction in the frequency of services. This will have negative effects on the living of villagers. We hope that the Government can make improvements by reorganizing the external bus network and ferry services in the New Territories, so as to make things convenient for villagers.

Deputy President, there are signs of decline in many of the advantages that Hong Kong originally possesses. The most pressing task in Hong Kong is to establish a harmonious society, so as to raise Hong Kong's competitiveness in the international arena. The Chief Executive has made use of his rich experience in public administration to take forward community development and establish good relationships with these communities. This will include the construction of facilities such as libraries, recreational and sports venues and general out-patient clinics in Tung Chung and Tin Shui Wai; requesting the Social Welfare Department to strengthen its integrated services according to the demand in Tin Shui Wai; the establishment of two more job centres by the Labour Department in Yuen Long and North District; the allocation of \$3.2 billion to assist heavy vehicle owners to replace their vehicles with those meeting Euro standards and making specific pledges with regard to the Action Blue Sky.

Deputy President, the huge market on the Mainland provides impetus for the sustained economic development in Hong Kong. The major direction of development proposed by the Chief Executive in the policy address is to adopt as the axle an economic development strategy that leverages on the Mainland and engages ourselves globally, supplemented by the principle of "market orientation". The goal is to fully capitalize on and magnify the original advantages that Hong Kong possesses and focus on establishing Hong Kong as a world-class financial, shipping and trading centre, as well as a centre for high value-added services that meet international standards.

The Chief Executive has also proposed specific measures such as streamlining the entry procedures for mainland river trade vessels, studying an express clearance system and enhancing the efficiency of cross-boundary cargo flow. These measures are all long-term plans aimed at maintaining Hong Kong's competitiveness and upgrading its competitive edge.

Thank you, Deputy President.

MISS TAM HEUNG-MAN (in Cantonese): Deputy President, the Chief Executive's policy address of this year can be described as "talking way off the mark" and seeking delay by all possible means. Not only do we fail to see the great talent and bold vision of Chief Executive Donald TSANG, we also fail to see him act like a politician. I have expected Chief Executive Donald TSANG, who proclaimed himself as a politician when he took office, to demonstrate to us

his political leadership after gaining a firm foothold one year in office. It is a pity that he has disappointed us.

In the last paragraphs of the policy address, Chief Executive Donald TSANG outlined three challenges confronting Hong Kong, namely first, how to sustain economic development; second, how to further the development of a democratic political system; and third, how to build a harmonious society. The three points raised have indeed pinpointed the ills of our time. However, our expectations for the Chief Executive hinge not on how insightful the questions he can raise, but on how he will tackle the problems. I feel sorry that not a single suggestion on how to tackle these three challenges has been raised in the policy address.

I really want to ask Chief Executive Donald TSANG whether he has any idea of how a politician should behave. A politician must have a set of political ideas, ideology, and strategies to lead social progress before he can stride in front of the people and lead them forward towards the ideals in his mind. I simply cannot see the Chief Executive is capable of doing so.

In the policy address, Chief Executive Donald TSANG emphasizes "proactive, pragmatic". Although he has eloquently described his policy direction as "pragmatic", he is, to tell the truth, actually adopting a piecemeal approach. There is a complete lack of long-term strategies and preparations. True pragmatism does not mean absence of discussions on long-term strategies, only that the long-term strategies formulated must be reasonable and feasible, and false, big and empty slogans, such as the slogans of "surpassing Britain and the United States" and constructing various kinds of ports, as chanted by Mr TUNG during his tenure, must be avoided.

Chief Executive Donald TSANG once stressed that, with only eight more months to go, he could not possibly roll out any long-term plans and did not wish to issue any blank cheques. Actually, he knows only too well that he has the throne of the third-term Chief Executive in his pocket. What is the point of confining his governance plan to eight months? Could it be the case that Chief Executive Donald TSANG would like to tell us he is not going to seek another term?

Let me cite constitutional development as an example. I believe the majority of the people of Hong Kong would like to see the implementation of

dual elections by universal suffrage in Hong Kong expeditiously and expect Chief Executive Donald TSANG to propose a direction for constitutional development. However, the Chief Executive has merely referred the problem to the Commission on Strategic Development. However, not a single word has been mentioned about how the Government will take follow-up action after the discussion by the Commission. We have no idea how long it will take before we can see the advent of universal suffrage.

The SAR Government should at least give us an explanation to these questions: Will the Government put forward a constitutional reform package for consultation after the discussion by the Commission? When will a timetable and roadmap for constitutional development be presented? What is the position taken by Donald TSANG towards constitutional development? The people will not approve of the Government's approach of evading these questions and merely using the Commission, whose representativeness is dubious, as a shield.

Deputy President, the post of Chief Executive is a political appointment. We expect the incumbent Chief Executive to be a genuine politician, not an executive who merely knows how to "play smart" without any aspiration for breakthroughs. I so submit. Thank you, Deputy President.

MR LEUNG YIU-CHUNG (in Cantonese): Deputy President, this session is designated for discussing constitutional affairs and public service. I shall speak on these areas.

The theme of this year's policy address is "proactive, pragmatic and always the people first". These several words are in fact very good. I think many people would feel happy upon hearing this because in the past we often saw that a lot of policy objectives and initiatives were hardly capable of meeting the target of "always people first", nor could they be pragmatic and proactive. However, Deputy President, ironically, when someone claims himself to be so pragmatic, but in fact he is not; and when he says that he adopts the attitude of "always people first", the people, to a great extent, do not agree with this.

Deputy President, I am not talking nonsense, and I do have justifications. Why? Let us take a look at the findings of a survey conducted by an opinion poll website of the University of Hong Kong. First, the rating of Mr Donald

TSANG has been plummeting. Second, this is a point that is even more significant, that is, the people's degree of satisfaction with the policy address. Last year, his score was 40% in this regard, but this year surprisingly saw a sharp decline to 27%, which is really a substantial decline. With regard to the rate of dissatisfaction, last year's score was 6.5%, and it has risen to 13.3% this year.

Therefore, as I have said just now, if a person claims to be "proactive, pragmatic and always the people first", is it necessarily true that he can really live up to such claims? Using such adjectives or wordings to describe himself will only leave others with the impression that the Chief Executive is just blowing his own trumpet. But the people do have the wisdom to find out the truth. No matter how hard one boasts of himself, the people would always see him in the light of his actual performance.

Apart from the rate of dissatisfaction, the survey has also reflected another problem. What is it? One of the questions reads, "If Donald TSANG is successfully elected a second term as the Chief Executive, can he solve the problem of democratic development of the constitutional system?" Surprisingly, 53.3% of the respondents said "no"; only 22.1% said "yes". In fact, Deputy President, it is meaningless for a person to blow his own trumpet because the findings of the opinion poll have already illustrated that the people have cast a vote of no-confidence in Donald TSANG's re-election as the Chief Executive.

Naturally, Members may think: A survey is nothing more than a survey, how can we treat it as the realistic situation? If a survey is equivalent to the realistic situation, then there would be many tasks we do not have to do anymore. Of course, we cannot believe in the findings of opinion polls without any reservation. However, findings of opinion polls do give us an indicator of the feelings of the people. Therefore, as an Honourable colleague has said earlier on, it is acceptable for him to use the service of spin doctors to beautify himself, but if his governance does not have any real substance, then the people will abandon him eventually. When the Chief Executive Donald TSANG delivered his policy address, he said he had already done his utmost and had done a lot in putting forward a constitutional development package which was also supported by the people; however, it could not be passed because Members of the Legislative Council did not render their support to it, and he could not secure two thirds of votes supporting it, thus making Hong Kong maintain the *status quo* in constitutional development.

Deputy President, he has passed the buck to us. Actually, I do not mind at all because the Legislative Council does have a role to play in the constitutional affairs. What matters is his remark "since Members did not support the package, so it could not be passed." Why does he not seriously think about this: What were the reasons for Members withholding their support, thereby blocking the passage of the package? Had he reflected upon himself? Had he reviewed whether the contents of the constitutional development package can really serve the timely needs of Hong Kong, thus making Hong Kong people accept them? He had never reflected upon himself. Why had he never thought about this problem? Instead, he just kept saying that the package was supported by the people and it was only Members who were insistent on their own views and refused to accept the package.

Deputy President, his allegation is unfounded. On the contrary, many surveys have shown that at least 60% or 70% of the people demand that universal suffrage be implemented in both the elections of the Chief Executive and the Legislative Council. The last constitutional development package was just a kind of "window dressing" which had only introduced some minor changes. In fact, we all know that, in essence, the constitutional development package was miles away from the implementation of universal suffrage for the two elections. That was why Honourable colleagues did not lend their support to it, and eventually we are forced to accept the situation of maintaining the *status quo*. In fact, the situation has highlighted the most significant agenda item for the Chief Executive, namely, how he can address the most sensitive issues which the people are most concerned about in his policy objectives.

During the past year, the Government has been pretty clever actually. How clever has it been? As Mr Ronny TONG has said just now, the Government, the Chief Executive Mr Donald TSANG in particular, has kept its words. The Government said it would not mention matters relating to the constitutional development anymore, and they have managed not to mention it throughout the year. Matters relating to the constitutional development have not been mentioned at all. Not only has he stopped mentioning these matters, what else has he done? He has also tried to divert us from mentioning them. Even if we want to talk about this topic, he did not want us to do so. As a result, the Goods and Services Tax (GST) was proposed, so that all the people focused their attention on discussing this issue. He was very successful indeed. Since the proposal of GST has been introduced, it has become the talk of the town, and issues relating to the constitutional development have almost been forgotten. In this regard, he has been very successful. But then, what significance does that carry?

Deputy President, of course today we are not going to discuss whether GST should be introduced. But the point is, does this kind of diversion mean that we can truly avoid or dodge the problems we are facing? Certainly not. The constitutional development has always been a matter of great concern to us. Even the Chief Executive, Mr TSANG, ranked the issue of the political system as the second challenge in his policy address. Unfortunately, he only pointed out that this is the biggest problem, but he did not talk about how we could address it at all in the policy address. He handled the matter like what he had done in the previous year, that is, passing the buck to the Commission on Strategic Development.

In fact, as many colleagues have said, the Commission is neither fish nor fowl. It is a democratic entity brought into being by a non-democratic election, and all of its members were appointed by the Chief Executive. Therefore, its ability to reflect the views of the public is very limited. Let me stop short of questioning why the Commission should be made responsible for considering the constitutional development package. But why should the constitutional development package be shelved subsequent to the consideration by the Commission, instead of presenting it to the public for open discussion? If the Chief Executive, Mr Donald TSANG, believed his constitutional development package would be accepted by the public, why did he not pass his constitutional development package to the public and let the public decide for themselves? In fact, the most important point is, constitutional development is relevant to all of us. Since it is a matter of relevance to us all, we should have the right as well as the responsibility to express our views and opinions. Unfortunately, we have been denied such opportunities again and again.

I very much hope that in the debate on the policy address today, we can put forward constructive ideas, instead of just launching criticisms. We hope the Government can listen to our views, instead of maintaining the *status quo* in constitutional development. By this I mean we should not restrict the scope of discussion of other people. We should widen the scope so that the public can take part in the discussion and the decision-making process, which should not be monopolized by a handful of people. I believe this is what we should do as far as our political development is concerned.

But I do feel worried. Why am I worried? I am worried because, in all the constitutional development packages proposed by Chief Executive Donald

TSANG in the past, there were invariably some inadequacies. What are the inadequacies? The inadequacies lie in that fact that he has failed to be accountable to the public, and he has failed to demonstrate his commitment to the general public in the political development package proposed by him. As we all know, in order to implement a real constitutional development package, it requires courage to reflect the views of the public to the Central Government. But this is by no means an easy task, and this cannot be accomplished by anyone of ordinary calibre. It requires courage to do this. Yet, judging from his past performance, Chief Executive Donald TSANG suffers from a serious deficiency in this aspect. If he has listened to our views at all, I hope he really has the courage to make this commitment and strive for the goals with us in future.

Deputy President, talking about inadequacies, apart from the inadequacies in constitutional development, another kind of inadequacies exists in the policy address, that is, he has failed to be accountable to and to show his commitment to non-civil service contract staff, who have been employed on temporary contract terms for a very long time. Why would I say so? Deputy President, according to paragraph 8 of the policy address, during the past few years, the Government has restored fiscal balance. The government expenditure was reduced to 16.4% of our Gross Domestic Product. In fact, of this 16.4%, there is still room for doing more; there is still the room of 3.6% where more initiatives could be introduced. But the Government is unwilling to do so. Instead, the Government claims that this has been achieved through the successful control of the civil service establishment and the salaries of civil servants. So the civil service establishment is now maintained at 160 000 persons, with salaries brought back to the 1997 levels. As such, no major changes should be made in this respect.

Deputy President, I find this most unfair. Why should I find it unfair? We all know that all along a group of non-civil service contract staff have been making contribution to society. But unfortunately, they are not entitled to the benefits and rights enjoyed by civil servants. As a matter of fact, they had done a lot for us when our society was facing the toughest moments. In particular, during the SARS outbreak, the Government opened many temporary contract posts. These people have been working hard and making their fair share of contribution to society. However, unfortunately, the Government is saying that their service may not be required anymore. Even if there is such a need, these positions may be converted into posts in the permanent establishment, and these

staff may be dismissed. Secretary Miss Denise YUE had already replied my question last Wednesday.

Deputy President, if this should be the case, then we would really become an unscrupulous employer. Why? At present, there are about 15 678 non-civil service contract employees. Among them, 2 310 have a length of service exceeding five years. The department which has employed the greatest number of such non-civil service contract staff is the Leisure and Cultural Services Department, where as many as a quarter of its temporary staff have been serving in the Department for more than five years. As we can see, 2 000-odd staff members have served for more than five years. When the review is conducted by the end of the year, and if it is considered that there is a need to retain these jobs, these positions will be converted to the permanent establishment, and these 2 000-odd staff members will be dismissed. Of course, Secretary Denise YUE said they could re-apply for the jobs through open recruitment. But we all know that the requirements of the open recruitment will be more demanding, and these staff members may not be qualified for the job, as the temporary contract terms back then imposed lower requirements. Therefore, I am very worried. On the surface, the conversion of these temporary positions into permanent establishment appears to be advantageous to them. But to these staff members who have been working for many years or with a length of service exceeding five years, their status could change from "employed" to "unemployed", which must be a most painful experience.

As a matter of fact, Deputy President, let me tell you an actual case. A staff member has all along been employed under temporary contract terms for the past 12 years. How many times his contract has been renewed by the Food and Environmental Hygiene Department? His contract has been renewed for as many as 23 times. Come to think of it, is he not pitiable? Apart from having an unstable job, in which he has been working for such a long period of time, he will probably lose his job altogether by the end of the year. These people have been working so hard for us and making their fair share of contribution, but this is what they get in return.

Therefore, I very much hope that the Government can listen to what these workers have to say. We very much hope that the Government can absorb our temporary contract staff into the permanent establishment, instead of dismissing them and asking them to re-apply for the posts and go through the selection

process again in the recruitment exercise. They may not be able to get back to where they are now. I hope the authorities can take the interest of these staff members into consideration and identify some better arrangements for them. We must not call them in when we need their services and kick them off when they are no longer needed. In my opinion, this would be a most unscrupulous practice.

Deputy President, I so submit.

MR JAMES TIEN (in Cantonese): Deputy President, Chief Executive Donald TSANG has delivered his last policy address in his current term of office. It is entitled "Proactive, pragmatic, always the people first". The policies and measures put forward in this policy address are basically some pragmatic initiatives. The Liberal Party supports many of these initiatives, including the reiteration of "big market, small government"; the introduction of the education voucher system; the introduction of tax concession to enable vehicle owners to replace their vehicles with more environmentally-friendly ones, and the promotion harmony in family. However, I wonder if it is because the measures are not good enough or not comprehensive enough, his opinion poll ratings have seen some sharp decline in some recent surveys. Mr LEUNG Yiu-chung has already mentioned the figures, so I am not going to repeat them here.

The Liberal Party also appreciates the difficulties faced by the Chief Executive: That there are only eight months left in his current term of office and soon he will have to conduct his re-election campaign for the office of the Chief Executive. So he needs to hold back some of the measures that might arouse suspicions that he is exercising his power beyond his term of office. I think this is inevitable.

However, it is most unfortunate that the people find this policy address too middle-of-the-road. Last week, when Chief Executive Donald TSANG spoke to some young students on the contents of the policy address, he also said that possibly it would be better written next year. The Liberal Party hopes that we do not have to wait until the release of another policy address next year. We hope the Chief Executive can outline his overall policy objectives for the next five years in his election platform.

Deputy President, in the Work Review section of the policy address, it is mentioned that the Chief Executive has done a lot in maintaining small government. Now, the total public expenditure of the Government has already been reduced to 16.4% of the Gross Domestic Product (GDP) and the civil service establishment has been kept under 160 000 person. The Liberal Party strongly supports these initiatives. However, in the meantime, the Government has proposed two concepts to us, that is, the creation of the posts of Deputy Secretaries and Assistant Secretaries in the Bureaux. The Liberal Party thinks that, as the Chief Executive, if he wants to pursue strong governance, if he wants to govern Hong Kong in this manner, we can understand it and can render our support. However, we also feel that, since we have already managed to keep the civil service establishment under the figure of 160 000, and the public expenditure has been contained at 16.4% of the GDP, we feel that, if such posts have to be created, some suitable posts in the civil service system may be deleted?

As a matter of fact, with regard to the proposal of creating posts of Deputy Secretaries and Assistant Secretaries, one of the most significant justifications is that persons holding such posts are required to promote policies formulated by the Government; in particular, they are required to come to the Legislative Council to communicate with Members. If we really have such Deputy Secretaries and Assistant Secretaries doing such jobs, then the number of civil servants who currently come to this Council to explain to us matters related to bills and various policies of the Government — mostly Permanent Secretaries, Deputy Secretaries and Assistant Secretaries — can be reduced correspondingly. The Government says it may affect the morale of the Civil Service. But we think we must strike a balance between the two sides. We must understand the morale of the Civil Service on the one hand, but on the other, we must also take good care of the money of taxpayers. What is more, the Government has always mentioned "big market, small government". We hope the Government can pay more attention to this aspect.

Deputy President, with regard to the constitutional system as a whole, the Chief Executive now says that he intends to pursue strong governance. We find that the Government does not have a single vote in the Legislative Council. After the new administration has been formed next year, that is the third Government, it will continue to have no votes at all. So even with the creation of some more Secretary, Deputy Secretary and Assistant Secretary posts, I do not believe that the Government's difficulties in implementing policies and the

problems it is facing can be solved substantially by their talking to us more in the Ante-Chamber or their giving us one or two more telephone calls.

Therefore, the Liberal Party has always felt that, before launching these new policies, the Government had better discuss them with all the political parties. Different political parties may have different degree of closeness with the Government, so the most important point is that the Government should first discuss such policies with political parties supporting it. We have come up with such a concept of "a ruling coalition" because we want to start the discussion with the Government earlier, so that when the Government promotes its policies, instead of obstructing the Government's implementation of work, we will be able to convey the views of our voters to the Government on their behalf, in order to support the Government. This is different from the allegation made by some people opposing this notion, that we are advocating a sharing of the Government's power by forming a ruling coalition.

Please imagine, among the present Members of the Legislative Council, how many of us can give up our present positions and assume the posts of Secretaries of Bureaux? For example, Mr Tommy CHEUNG has had a lot of discussions with Secretary Dr York CHOW on the anti-smoking bill. We use this as an example precisely because we want the Secretary to understand that, before he makes the decisions on the anti-smoking legislation, health is most important; that second-hand smoking is definitely unacceptable and its occurrence must be avoided. However, on the other hand, can we at the same time also take care of the interests of certain restaurants? Had this concept been adopted earlier, we would not have seen so much opposition from Members when the Government said that it would consider allowing restaurants to establish smoking rooms when the relevant bill was passing this Council. This is about the "ruling coalition" concept. We are not proposing to allocate any proportion of the 11 Secretary posts to the Liberal Party or other allied political parties. If this concept is not yet mature, I think it would be difficult to implement other measures in pursuance of strong governance. The Liberal Party also strongly supports the election of the Chief Executive by universal suffrage through a nomination committee in 2012. But, by the same token, if a ruling coalition cannot be formed by then, the Chief Executive returned through universal suffrage will have to go on looking for the right persons to fill up the posts of three Secretaries of Departments and 11 Directors of Bureaux, who cannot have any political party affiliation; and he still will not have a single vote in the Legislative Council. We think that, in the long run, strong governance may not be feasible.

Deputy President, talents are required in achieving effective governance. With regard to effective governance, I wish to mention that talents in society are also very significant. If a society is governed well, and there is harmony in society, the Government will naturally become a "small government", and there can be effective governance. What actually am I trying to say after all?

What I wish to say is in fact this. The Chief Executive said in the policy address, "To attract talent from around the world to participate in Hong Kong's development, we must adopt a more open-minded and proactive approach. The Government will continue to review the situation and fine-tune policy to expand the pool of human capital so essential to Hong Kong's sustainable development." The Liberal Party agrees to all these. However, I feel that the way in which the Government puts it is not very proactive because it is by no means enough if all we are going to do is just to "review" the situation or "fine-tune" the policy. We think that we should adopt an even more proactive attitude in order to attract talents to Hong Kong to assist our overall social development. And such talents should naturally include talents in the fields of medicine, commerce and all sorts of trades. We should actively attract talents from both overseas countries as well as the Mainland. For example, we should do our best to attract such talents with all our advantages, such as high efficiency, law and order and a high standard of living, albeit we have an air pollution problem. Besides, we should also make reference to the proactive attitudes adopted by some major mainland cities in attracting talents from other provinces.

In addition, we also feel that the quota of 1 000 persons under the Quality Migrant Admission Scheme may deter people from making applications. Actually is it necessary for the Government to set this ceiling of 1 000 persons? Hong Kong has a population of 8 million. As our population is ageing and the present immigration policy of allowing 150 migrants to come to Hong Kong daily have already brought many people with low skills and low education into Hong Kong. If we can solve problems in this regard, and allow more quality talents into Hong Kong, then we believe the overall governance of Hong Kong will make some improvement.

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

MR LAU CHIN-SHEK (in Cantonese): Every politician has to answer a basic question: For whom the Government implements the policies? Regardless of

whether it is "always people first" or "governance for the people", I think we must clarify what the "people" means. I believe the index for assessing the effectiveness of policies ultimately depends on whether the Government's implementation of policies can enable the majority of people to lead a happy and contented life and to give full play to their abilities; as well as whether it can enable the middle and lower classes to improve their livelihood.

I believe all of us have had the painful experience of getting stuck in a traffic congestion in the past. After being held up in a traffic congestion for a long time, when you see that the traffic in the next lane has started moving, you will feel good because you expect that your turn to move will come soon. However, after waiting for five minutes, an hour or even longer, and your lane of traffic is still held up by the congestion, while you can see that the vehicles in the next lane keep moving forward, you will then feel a strong sense of unfairness, severe grievances and even a fit of rage.

After the Chief Executive had delivered his policy address, his popularity rating dropped. I am personally not interested in finding out whether it was because his spin doctors had overdone their job. All I can see is that a traffic lane really has got stuck for too long. One or two years ago, when Hong Kong's economy started to re-bounce from its rock bottom during the SARS outbreak, many people expected that the good days would come very soon, though they were not benefited immediately. So the general atmosphere in society was relatively tolerant and optimistic. However, if the situation shows no improvement after one year, two years or even three years, then the people would start feeling strongly uneasy, and the grievances would start to emerge in society again.

Deputy President, the economic revival has led to an upsurge of prices in general. In particular, the daily necessities such as housing, water, electricity and food have recorded the greatest increases. However, the incomes of wage earners have remained rather stagnant. So they have not been able to share the fruits of economic revival, and their quality of life has even deteriorated due to inflation. The Government may have thousands of theories to explain that economic restructuring will inevitably lead to the widening of the wealth gap and it may have countless reasons for not intervening in the wage level in the market. But this does not mean that the Government can do nothing. This is especially so when the middle and lower classes cannot improve their lot by increasing their

employment incomes. Under such circumstances, an alternative approach that may bring about changes would depend entirely on the role played by the Government. The Government should and have the ability to reduce the people's expenditure on daily necessities through the implementation of policies, thereby making it possible to improve the lot of the ordinary wage earners and their families.

The Government is the landlord of public housing. By reducing the rents, it can benefit 40% of the grass-roots families. The Government is also the largest shareholders of the railways corporations. So, it can exert its influence to make downward adjustments in fares, so as to alleviate the people's burden. The Government may continue freezing the fees related to the livelihood of the people such as those of education and medical services, so as to give a break to the middle and lower classes. The Government may negotiate with the two power companies for downward adjustments in their permitted returns, so that the people will not have to pay expensive electricity tariffs. The Government may step up its support for financially poor children, so that they would not have to compete with others from a different starting point. The Government can also increase the amount of old age allowance, so that the elderly who have made contribution to building up Hong Kong all their lives can enjoy a comfortable retirement life.

Deputy President, we all know that to implement the above measures, it would call for increasing public expenditure or cutting government revenue. However, if government revenue keeps diminishing, but public expenditure keeps rising, how can the Government maintain its public services? Like other organizations that care about the grass-roots people, I have earnestly called on the Government to improve the livelihood of the people. In fact, we must also put in the same amount of effort in this regard, so as to enable the Government to have enough resources to launch the various kinds of services. We need to contemplate seriously how we should reform the taxation system, so as to make people of different classes find the arrangements fair. On the other hand, in doing so, we should be able to provide sufficient and stable incomes for the Government. If we just make all kinds of demands but give no consideration to opening up new sources of income for the Government, then I am afraid the so-called ideal of "improving the livelihood of the grassroots" will only become an empty slogan.

Deputy President, finally, I would like to discuss the issue of governance. The Chief Executive once said that the differentiation of closeness in relationship is a kind of political norm. But I think the Chief Executive should really consider this, "Be stringent with close allies, and be lenient to those who are less close." Regarding allies with similar ideology, the Chief Executive can naturally have higher requirements of them and be more stringent. In doing so, the Chief Executive will form a well-organized ruling team, so as to be able to put their common ideologies into practice. However, if the Chief Executive chooses to stay away from people holding divergent views or opposition views, the divergence will evolve into confrontation, which will eventually evolve into opposition. This will do no good to Hong Kong. On the contrary, if the Chief Executive can be more lenient with the "opposition", as he has labelled them, and be willing to spend more time listening to and considering their opinions, it will definitely be good for the governance of Hong Kong. We must bear in mind that a successful politician and a strong government should not go about creating more enemies and then proceed to knock them down one by one. Instead, he should win over people holding divergent and opposing views and make them his friends.

Just now, a colleague mentioned the ruling coalition concept as well as the sharing of power and the scramble of power. But I find that it is no big deal for the sharing of power and the scramble for power to take place. The most significant point is, in case we have really succeeded in sharing the power or acquiring the power, then we must understand that great responsibilities come with great power — as in the case of an employer who must assume the responsibilities when his business goes bankrupt.

MR ALBERT CHAN (in Cantonese): Deputy President, regarding this Motion of Thanks, I have proposed an amendment. I shall make my keynote comments on the contents of the amendment later on. In this session, I shall mainly put forward some viewpoints on the political system and security.

With regard to the constitutional system, in particular the reforms to the elections of the Chief Executive and the Legislative Council, it can actually be described as static, dead slow, zero progress and no progress at all. The reforms that have been put forward on District Councils are just some window-dressing, with no concrete improvement at all. How time flies!

Twenty-six years have passed since the development of representative assemblies started in Hong Kong, and it should have reached the adult stage now. Yet, its development is still like a baby whose brain cells were dead at birth due to the lack of oxygen. It is a completely handicapped person with no thinking and no abilities at all. The so-called District Council reforms are no more than a laughing stock to everyone.

The present constitutional system is entirely established for safeguarding the interests of consortia with vested interests. It is just intended for extending the tolerance of collusion between business and the Government, transfer of benefits and continuing the rationalizing and institutionalizing of the consortia's monopolization of the market; and the ordinary citizens are helplessly subject to such exploitation under this system. The Commission on Strategic Development (the Commission) is a weird product. Basically, it is formed by a group of people appointed by the Chief Executive who considered them to be representatives of different sectors of society. However, actually these people represent a combination of consortia with vested interests, whereas only a few are representatives of public opinion. The decisions made by the Commission only stand for the collective aspiration of these rich and powerful consortia with vested interests in Hong Kong, and are in no way representative of the common aspirations of the 7 million Hong Kong people.

It has been nine years since the reunification. It is indeed an insult to Hong Kong people for having such slow progress or even no progress at all in constitutional development. It is an extremely lousy example of "one country, two systems". I think when the Taiwanese see the present state of "one country, two systems", they would definitely find it a joke. In the past, TUNG Chee-hwa was a joke, and the present constitutional development of the Chief Executive is also a joke — a joke not only in Hong Kong or in Taiwan, but it has gradually developed into an international laughing stock now.

I do not hold any expectations for the Chief Executive because we all know that the go-ahead of any constitutional development basically has to be given by the Central Authorities. As long as the Central Authorities do not give their approval, the Chief Executive is like the legendary Monkey King who cannot jump out of the magical palm of the Buddha. He can do absolutely nothing. However, if he is unwilling to make even a groaning sound, he is simply showing himself to be extremely incompetent.

Deputy President, another aspect I would like to speak on concerns the security issues. In fact, I have spoken to the Secretary of Department and the Director of Bureau concerned who are present today to reflect the problems related to certain debt collection companies. This problem is in fact another disgrace of Hong Kong. In the past, we thought that debt collection companies were related to some triad societies, loan sharks, and so on. But now we believe the problems caused by debt collection companies are mostly (over 90%) related to major consortia, banks, property developers, telecommunication companies or financial companies which are subsidiaries of banks.

During the past few years, the Police have annually received over 20 000 formally lodged complaints about harassment by debt collection companies. Sometimes, the amounts involved could be as little as \$100 to \$200, or some financial disputes in which the liabilities are still undecided. However, those subsidiaries or sub-subsidiaries owned by those top tycoons in Hong Kong have already commissioned debt collection companies to press for payments from the people (some are even the elderly). Not only the debtors are pursued, but also their families are harassed, and very often, the amounts involved could be as little as \$100 to \$200.

Therefore, if the Secretary of Department and the Director of Bureau concerned do not address this problem properly — I have discussed this issue with the Secretary for Justice, Mr WONG Yan-lung, since his assumption of office, in the hope of getting some peace for the ordinary Hong Kong people. A very simple approach can be adopted, that is, a licensing system can be introduced to exercise supervision over those debt collection companies. Right? If you want to pursue any claims, please do it by way of civil litigations, so as to verify the claims against the people concerned. If some companies start commissioning debt collection companies even before the claims are verified, then this is absolutely the behaviour of scoundrels and rascals. The Government should not go on tolerating it. In order to reduce wasting police resources and prevent those so-called scoundrel tycoons who may make use of or pretend to be triad elements, from harassing or intimidating the good citizens of Hong Kong, the Government should address this issue properly.

Thank you, Deputy President.

MS AUDREY EU (in Cantonese): Deputy President, "Proactive, Pragmatic, Always People First" is the main theme of this year's policy address. In

response, the Civic Party would like to comment on it with the following expression: "Lack of Vision and Evasive". Of course, a statesman should not dwell on the abstract and rely on the window-dressing by spin doctors. However, pragmatism is not equivalent to short-sightedness, resigning to fate or a lack of ideal. The yearly policy address should be an opportunity for the Chief Executive to show his leadership and macro blueprint. But unfortunately, the policy address has evaded a lot of urgent and contentious issues, particularly the three challenges mentioned in the conclusion are left dangling in the air with no answers. I very much appreciate Ms LI Fung-ying's analogy that the policy address is full of black humour.

The Chief Executive's explanation is that with a remaining tenure of just eight months, he should not act *ultra vires*. If every Chief Executive says the same thing at the last year of his term, Hong Kong will have one year wasted for every five years or one fifth of the time. Furthermore, some proposals in the policy address, such as education vouchers for pre-primary education or replacement of green vehicles, will need more than eight months to achieve. From this, we can see that this is only a pretext for "pragmatism".

Hong Kong people are in fact very practical. But at the same time, they hope that the Chief Executive is a real leader who can resolve problems and differences. If consensus must be reached and no voice of objection is heard before anything can be done, Hong Kong cannot make any progress. In the conclusion of the policy address, the Chief Executive has shed light on three challenges without giving any answers. He seems to be telling us that he would keep it as a secret and tell us what to do when he is re-elected. However, the people are sharp-eyed. These three challenges have already existed in his current term or even before he assumed office. But unfortunately, the Government has yet to provide any solutions.

Donald TSANG has been enjoying a high popularity rating because people have high expectations of him, hoping that he can lead Hong Kong. But the main theme of this policy address is evasive and carries a mood of resigning to fate with "pragmatism" as the pretext and a "cloth to cover up shame". In fact, this has aggravated people's helplessness and desperation. Twice, there has only been one unopposed candidate in the Chief Executive Election.

The Civic Party believes that only competition will lead to progress, vitality and vigour. If there is no competition, we will be complacent with the

status quos and forget our ideals. The Civic Party and the democratic camp have decided to run in the Chief Executive Election because we hope that we can arouse public discussion and concern through a competition process. The existing political system has resulted in a "three-lose" situation where the Government, the Legislative Council and the people are all losers and Hong Kong is paying a heavy price. The Chief Executive has presented a "short-lived" policy address to deals with issues which are "visible", thinking that such an approach is on the smart side. But this absolutely cannot meet the needs of the people.

The Chief Executive proposed "strong governance" which has now become pragmatism. In fact, Hong Kong people are concerned about the administration of the SAR. After the release of the policy address, the Chief Executive's popularity plunged and, as a result, some measures of benevolent rule such as the anti-smoking policy and education vouchers for childhood education have become highly contentious. Why? In fact, with problems of whatever significance, controversies and disagreements are unavoidable. What we need is a Chief Executive with good leadership rather than a Chief Executive who tells us with folded arms that nothing more can be done on the pretext of pragmatism.

In fact, the most fundamental way to improve the quality of governance is to expeditiously implement universal suffrage on the basis of "one person, one vote". This is not only the most balanced participation but also a way to ensure that the Chief Executive and the Legislative Council as a whole have sufficient mandate for the implementation of reform. Otherwise, the economic transformation, ageing population and all problems arising from sustainable development, such as health care financing, universal retirement protection and disparity between the rich and the poor, will become thorny issues. When the executive-legislative relationship remains tense, it will lead to extreme difficulties in administration. As a result, Hong Kong as a whole will have to pay the price for it.

In paragraph 68 of the policy address, the Chief Executive tried to explain why the term "positive non-interventionism" had ceased to be used. In fact, this is not a policy change but a change in the term which is now called "small government, big market". The next day, in the Question and Answer Session, Mr Jasper TSANG of the DAB asked the Chief Executive whether the Government, under the principle of "small government, big market", should

intervene in the market and what role the Government should play. This is also a question asked by the Civic Party. However, in answering Mr Jasper TSANG's question, the Chief Executive said that this question could not be answered in a general way but the answer would have to depend on the prevalent situation, proposals and public response. In fact, this question has exposed that the Chief Executive does not have a clear understanding of the role of the Government and does not have any objective criteria concerning whether the Government should intervene and the extent of intervention. This has also explained why the Chief Executive's popularity has plunged because what the people want is a real leader, not just an administrative officer. The Civic Party hopes that a real political leader can be returned through a real election. I so submit.

MR BERNARD CHAN: Madam Deputy, may be the Motion of Thanks should be renamed the Motion of "Thanks for Keeping it Short".

The Chief Executive was very open about the shortness of his policy address. He has made it clear that with less than one year of his term left, he was not in a position to present grand, long-term proposals.

As a result, he has been accused of manouvering ahead of next year's election. Of course, if he had talked for an extra hour and announced a whole series of big policies, he would have been accused of manouvering ahead of next year's election any way.

Perhaps this shows that if people want to question the quality of governance, they will always find some way to do it.

In his conclusion to the policy address, the Chief Executive mentioned that good governance means keeping your feet on the ground. And he said that was especially true with regards to the Government's intervention in the economy.

He made two key points. We do not need arguments about slogans like "positive non-interventionism". But we do need to debate when and how far the Government should ever intervene.

I think we have a total consensus on basic government responsibilities. Government has to tax and spend. Otherwise, we would not have sewers or a Police Force. In a developed and wealthy economy, the public also expects the Government to provide some other services. In particular, we expect the

Government to pool and redistribute some wealth to help those who cannot help themselves.

I do not think anyone has a major problem with that level of government intervention.

There is also public pressure for broader services. So we have public hospitals serving 95% of patients and publicly subsidized housing for 50% of our people.

This is where the real debate begins. There are various questions we can ask.

Why does the private sector not provide affordable hospital care or housing? If it cannot, should the public sector directly provide these services, or should it buy them from the private sector? How can we ensure that this taxpayers' money is used efficiently? How can we avoid an entitlement culture among people who use these services?

And this is just the beginning of the debate. When times were hard a few years ago, people called on the Government to take some sort of actions. The results included Disneyland and Cyberport. The announcements of those projects boosted morale. But later there were complaints. People were concerned that public wealth was given too freely to private interests.

The economy is much better now. But we are starting to hear calls for a more aggressive or proactive sort of government intervention. Several prominent individuals have openly called for the Government to allocate capital to investment opportunities.

To me, this would definitely be overstepping the line. All the evidence is that the private sector allocates capital more efficiently than the state. It is easy to risk other people's wealth. We already have various loans schemes and funds to help local technology ventures, and the results are disappointing. Politicians and civil servants do not have a good track record anywhere in the world of picking commercial winners.

There are many reasons why private capital might not flow into exciting new industries. May be there are higher returns elsewhere. May be the risk is too great. These are not reasons to push public money into those areas.

It could be that there are structural problems that make us uncompetitive. For example, we do not have the right local skills or our local cost base is too high. Again, that does not justify putting public money in where private money will not go.

However, it might justify official action to address the structural problems. That would improve the business environment generally, and give the private sector more opportunities to pick winners. Government has a duty to encourage economic activity — but it should be completely neutral about which industries or companies win or lose.

Madam Deputy, I might as well use this time to mention another area of possible government intervention — and that is wages.

There is a real possibility that a minimum wage would be bad economics, but good politics.

If we had a minimum wage across the board in Hong Kong, it could actually put more low-skilled people out of work.

Everyone talks as if the employers of the low-skilled are rich and greedy, exploiting these vulnerable workers. Well, may be they are. But may be some of them are not. It could be that these small companies are barely profitable. Force them to pay higher wages, and they might go out of business, or move to the Mainland.

Where guards and cleaners are concerned, this is less likely. We need people to do these jobs, and the work cannot be moved across the border. Even so, it does not mean that a minimum wage is the best way to solve the problem.

We need more time to debate it. Some people like the idea of a minimum wage because it does not involve government spending. Other people argue that workers on very low market wages should be helped through the welfare system. In other words, put the cost on the whole community, not just on certain employers. But of course, that means more tax, more spending and more bureaucracy.

The Government's proposal for a voluntary Wage Protection Movement is not very popular. Some people in the business community, as well as labour

activists, are saying, "If we are going to have a minimum wage, let us get on with it."

This proposal is a half-way house. It does not require any legislation, so it can be set up quickly. Hopefully, it will ease the pressure while we discuss this issue more thoroughly over the next couple of years.

In some ways, a minimum wage is a band-aid. The root cause of the problem is structural — a mismatch between the supply of less-skilled workers and demand for them. It brings us back to issues like immigration policy and our cost base.

And it brings us back to the whole debate about how much the Government should intervene. Should the Government intervene and fix the problems with band aids? Or should it fix the structural causes and stand back?

This is a major question we need to face one day.

MS EMILY LAU (in Cantonese): We are debating the effective governance of the SAR Government in this session. This policy address, I believe, is the last one submitted by the SAR Government during the first 10 years after the handover of sovereignty. Therefore, I would like to discuss what has happened in effective governance.

Deputy President, you know I am most concerned about the constitutional system, and if I happened to skip this topic, people would find it strange. In fact, regardless of whether TUNG Chee-hwa can do a better job than Donald TSANG or whatever, I have never held any expectation for the SAR Government, so I would not be disappointed. But there are people who have expectations and they are very disappointed. And they are also disappointed with the constitutional development, because not a single word is mentioned in this area in the policy address. Instead, we are once again blamed, in paragraph 71, for failing to endorse his constitutional development package. But he says that is fine. He says the Government will continue with its endeavour and he has been personally leading the Commission on Strategic Development (the Commission) to study our future constitutional development in an open and inclusive manner, which has made progress on various fronts.

Deputy President, I believe you are aware of a workshop conducted by the Commission on 3 October this year. What was the progress as indicated in this workshop? If the Chief Executive was to be elected through universal suffrage at all in future — no idea when it would be implemented, not in 2012, could be in 2082, or 2032 — the most important point would be the screening of candidates, such that they are acceptable to the Central Authorities. Some of those who participated in the workshop remarked that we had better not to make a fuss, and asked why we did not just let the Central Authorities do the screening. This was option one.

Second, we must not bother the Central Authorities in advance, because ultimately the Central Authorities would conduct a screening on their own. Instead, we could do it on our own initiative by introducing a pre-selection to the nomination mechanism, the way in which we have been selecting Hong Kong Deputies to the National People's Congress (NPC). In fact, the people do not have the right to vote in the selection of Deputies to the NPC, and there is a pre-selection process in place. However, even the NPC has been saying that pre-selection would not be conducted anymore in future, but here we still have people suggesting to conduct a pre-selection exercise.

There was another option which does not involve pre-selection. But it allows the nomination mechanism to veto certain candidates unacceptable to the Central Authorities. Now this is what has been described as progress and consensus. Interestingly, the policy address was released on 11 October. Deputy President, on 17 October, the Chief Executive attended a district seminar, which was called the second session, to discuss his policy address. What did he tell the participants there, Deputy President? He told the participants that, insofar as the constitutional development was concerned, the election of the Chief Executive in 2012 was like a piece of blank paper, on which people were free to write whatever they liked. People who had listened to his speech a few days earlier would have found it most perplexing — how come it would be "a piece of blank paper" when the Commission and its workshop had made so much effort and come up with so many conclusions? In fact, as you may know, Deputy President, another workshop will be held on the 6th of next month. This time, the theme will be "Legislative Council Election". Let us see what kind of wonderful ideas they will come up with then. On 23 November, the Commission will hold a general meeting. By then, some mainstream opinions would be released to say that things should be conducted in a certain way. The mainstream opinions would be to let the rich people dominate the political scene.

What has the Chief Executive said in paragraph 72 of the policy address? Deputy President, he says, "Through the concerted efforts of Hong Kong people from all strata and sectors, and with rational communication in the spirit of seeking common ground while reserving differences, we will be able to deal with the development of Hong Kong's political system in a proper way."

Deputy President, we in the pan-democratic camp hope very much to communicate with the Chief Executive. Since the political reform package — the "snail progress" package — had been released last year, we indicated that we would like to talk to him, but he had never talked to us. Later on, he came up with something new, and said somebody had called him and apologized to him. I do not know what kind of promise was made to him by whom, or who made an apology, and so on. But insofar as our open stance is concerned, the pan-democratic camp has never conceded any ground. He has made all these remarks, but so far he has not held any discussion with us. Inside the Commission, those of us representing the majority of Hong Kong have become the minority. Why do I say we are the majority, Deputy President? In the last Legislative Council election, the pan-democratic camp won 62% of the votes, so we are representing the majority. But in the Commission, we probably account for less than 10%, and this is most absurd. Once the Commission closes its door, we do not know what is being discussed, and it is entirely a black-box operation. They can do whatever they like, but now they are saying that they are seeking common ground while reserving differences and they are conducting rational communication, but in the meantime, we are creating a great fuss and disturbances outside the meeting venue, and there is no way for the different sides to communicate. What will end up with all these? I really do not know how they can give a proper explanation to the Central Authorities.

Recently, the Financial Secretary invited us to discuss the Budget with him. When he was drafting his policy address, the Chief Executive had also met with us for discussion. But he has never invited us to discuss the constitutional development package, and probably he never will. Earlier on, he organized a so-called economic summit, but why does he not organize a constitutional development summit? Why does he not invite members of different political parties and groupings in the Legislative Council to hold discussions with the authorities? If he fails to do so, he will definitely make others think that he does not have any sincerity. Or he may put forward a package that we may find unacceptable, and by then we will be accused of acting in a nasty manner. Just like last year, we made use of the bundling voting approach to oppose them.

But there is no such thing this year. So let them give a proper explanation to the people.

On another point, Deputy President, I would like to talk about paragraph 74, which is a very short paragraph. What is mentioned in paragraph 74 of the policy address? It mentions the election of the Chief Executive, which is a matter of great concern to the political party to which you belong, Deputy President. In fact, that is a matter of great concern to many people as well. It is stated in the policy address that "the election of the Election Committee will be held in December this year". We all know that 10 December is the International Human Rights Day. When it comes to the human rights for Hong Kong people, only 220 000 persons out of 3.2 million voters in Hong Kong have the right to vote. As a matter of fact, what is the so-called democracy all about? That is it. The election of the Chief Executive will be held on 27 March next year. What did the Chief Executive say about this, Deputy President? He said the SAR Government would do its best to make the necessary legislative and administrative arrangements for the two elections, so that they can be carried out smoothly according to the law in an open and impartial manner.

(THE PRESIDENT resumed the Chair)

Hey, this is really funny. With regard to "an open and impartial manner", we have witnessed so many deals under the table, so many feasting and feeding, and so many functions like visits to Beijing, and so on. Why do I say this? President, last Sunday, I had the honour of taking part in a forum held in the pedestrian precinct of Mong Kok, where one of the speakers was Dr SUNG Lap-kung from the City University. Now to which sector does Dr SUNG belong in the election? President, everyone in your sector of NPC Deputies automatically enjoys the right to vote in the election. And for us, Members of the Legislative Council, we also automatically enjoy the right to vote in the election. But people from the tertiary education sector do not automatically have the right to vote. There are only 20 seats for them in the Election Committee, but how many voters do they have? The number is 6 865, President. According to Dr SUNG, currently, with the co-ordination of Prof Anthony CHEUNG, who is an Executive Council Member and a member of the teaching staff of the City University, a conservative group would join hands to draw up a list to contest for these 20 seats. Dr SUNG further remarked that the

Liaison Office of the Central People's Government in the SAR, whose office is in the Western District, kept organizing study tours to the Mainland during the summer holidays, as well as inviting conservative groups in the sector to attend dinner gatherings for discussion and co-ordination. But activities like these were not restricted to the Liaison Office, the authorities took part in that too, according to Dr SUNG. Officials from the Education and Manpower Bureau had also organized similar dinner gatherings to probe the voting inclinations of different groups in the election.

President, I am not a civil servant, still less an administrative officer. But should administrative officers be doing such work? We are lucky today to have Secretary Denise YUE present in this Chamber who can answer my queries. I had talked to some administrative officers who told me that this could become a reason for their resignations — no, not resignations, but dismissals. Should they undertake such work? It is because such work is political in nature. People who shall in future take up the so-called deputy secretary posts, as they are currently proposed, will be exactly the right persons for such work. Have officials in the Education and Manpower Bureau or other Policy Bureaux ever done such work? President, whenever there are talks of intervention by the Liaison Office, many people would disagree (I have also heard of that). It all happened in August when some religious leaders were visiting Beijing. In fact, there are always many delegations visiting Beijing. Political parties in the Legislative Council are also waiting for their turns to visit Beijing, and such waiting could take up to several months. One of the organizations is called Chinese Christians Union, with Mr CHUNG Ka-lok being its president. He said he would be one of the candidates participating in the election. But he said his visit to the Central Authorities had nothing to do with his participation in the election and he had never been affected by the Central Authorities. He said the Central Authorities had never given him any instructions. He said he had gone to Beijing just for fostering communication with the people there on a religious level. This is really something.

Another sector is the accounting sector which comprises 27 650 voters. Again there are only 20 seats. President, again, the sector has only 20 seats. They are really unlucky. There are only 20 seats representing over 20 000 people. There are only about 140-odd people in the agriculture and fishery sector, but they have 40 seats. The competition in the accounting sector has been very keen. There are as many as 50 persons indicating an intent to take part in the election. What on earth has happened? President, the Liaison

Office has now actively proposed to organize a 50-person delegation to Beijing this Sunday — so it is the Liaison Office again.

Yesterday, when the Heung Yee Kuk or a certain organization was celebrating a certain event, I am not sure, the Liaison Office showed up again. Someone asked the Director of the Liaison Office, Mr GAO Siren, about the incident. He said all these allegations were mere speculation and completely unfounded. He also denied that they had ever exercised any intervention in the elections of the SAR. Regarding the accountants' Beijing visit, he said he had offered assistance to Hong Kong delegations in promoting their communication and co-operation with mainland organizations. He said he would be prepared to help if any organizations have such an intention. President, I am willing, and I shall be the first to submit my application. We pan-democrats have been prepared since a very long time ago, but the trip has never materialized. But these people can make the trip simply because they hold 20 votes in the Election Committee, and they shall depart this Sunday. I believe that, and I have sympathy with the Central Government: With so many delegations visiting Beijing, and they have brought along so many problems with them on the trip, how can the country be managed well? This is really very ridiculous. Yesterday, Dr Anthony CHEUNG also turned up. What did Dr Anthony CHEUNG say? The Liaison Office had not asked him to co-ordinate the election affairs in the tertiary education sector. If the Liaison Office had not done so, then was it Dr CHEUNG who offered service of his own accord? He owes us an explanation.

The Liaison Office has interfered with the affairs of Hong Kong. In each and every election, the Liaison Office has intervened indeed. I hope the Independent Commission Against Corruption (ICAC) would look into the issue and see if these people have ever committed any acts of corruption, and to arrest them if necessary. However, when I found that the Liaison Office had been involved even in our Finance Committee election in early October, I was really very shocked and surprised. The reason you must also know: That it was a case of 25 votes versus 25 votes between Mr CHAN Kam-lam and me, and eventually I won the chairmanship in the drawing of lots. I am very thankful. Since then fierce battles were fought between different camps, and there were exchanges of hostile essays in newspapers. Why did I say that the Liaison Office had been involved? It was because Mr James TIEN published an essay in the *Hong Kong Economic Journal*. In it, he said in this "changing side incident" (he meant to say that four votes supporting me had changed sides. And he said it would be

necessary to hunt down the "witches". This is most ridiculous indeed. In other words, those voted in favour of me were "witches", and those who voted in favour of Mr CHAN Kam-lam were saints), flak was flying from various camps. So, there was strong flak, so what? I find one remark most significant. It reads, to this effect, "It was because even the Liaison Office would like to pursue the issue, and "conducted X-ray checks" with Members individually. President, do you know what does the phrase of "conducting X-ray checks" mean in Cantonese colloquialism? I think even students know what it means, and you also know what it means. It means certain persons were interviewed and questioned to find out what had actually happened, asking them why they voted in favour of Ms Emily LAU. President, therefore, with such practices going on, though it seems only one paragraph in the policy address is relevant, actually many complicated issues are going on behind the scene. Therefore, how can Hong Kong people feel that there is effective governance? If the Central Authorities do intervene in our affairs, then "a high degree of autonomy" does not exist anymore and "one country, two systems" also does not exist anymore. I notice that such phrases are no longer mentioned in this policy address, that is, phrases such as "a high degree of autonomy" and "one country, two systems" were not mentioned anymore.

President, I would like to talk about another point as well. Earlier on, when the Chairman of the House Committee delivered her speech, she also said this policy address has not mentioned anything about the executive-legislature relationship. I hope that it is not mentioned does not mean it is ignored altogether. In fact, all of us, you and I, know perfectly well why it was not mentioned at all. President, he is advocating treating political parties differently according to affinity. So, what else can be done? It matters whether certain political parties are friendly with the Government. However, sometimes even close affinity may not work, and such closer parties may adopt completely hostile stances against the Government over certain issues. In fact, I am very much concerned about one point, so are Members, and it is also closely connected with the executive-legislature relationship, that is, whether our work as Members is considered an occupation and whether we should receive suitable salaries and remunerations.

President, I think recently you may also be aware of a report released by Mr Vincent CHENG (Chairman of the Asia Pacific Region, Hang Seng Bank), who says that he would not regard the appointment of a Member as an occupation. He couldn't care less, and does not intend to discuss it any further

now. Please wait until the next term or even later. He seems to be conducting some private discussions. He thinks that if these people consider themselves making sacrifices, then please go on making sacrifices. That is, we can only receive \$50,000-odd a month. If we want to have some adjustments to it, it has to be proposed by the executive authorities, and be passed by the Finance Committee. Talking about mutual checks and balances, all of us should propose to have this issue reviewed. However, he took this as an excuse, and said that there is no need to discuss it now, and please bring this up next time. In this report, not only Vincent CHENG's report is released, but our Secretariat — our Secretariat has done a lot of work — has made a comparison in Appendix III, in which our case is compared to those in parliamentary assemblies of the United States, Britain, Canada and the New South Wales of Australia. When compared with the cases in these places, the salaries of us Members are lower than theirs. The only place comparable to us is the New South Wales, where the remunerations of their MPs are similar to ours. However, we are not a country.

Yet, if we take a look at the remunerations of our Chief Executive and his cabinet members, the salaries in the case of Hong Kong are two to three times higher than theirs. Wow! Members' salaries are lower than theirs. But when the comparison comes to the part of senior officials, their remunerations are two or three times higher than those received by the heads of states or cabinet members of other countries. What fairness is there? Of course, the Secretary would definitely reply, "All these salaries were approved by you, so what is wrong with this?" This has exactly illustrated why different people are treated differently according to affinity. There must be some people who would be granted every request, regardless of whether they want to create posts like the so-called assistants or even assistants to Directors of Bureaux. Talking about assistants to Directors of Bureaux, this is really a wonderful idea.

The other day when I attended a ceremony in memory of Sir Jack CATER, I told the Secretary in the church that they were really something. They had asked Vincent CHENG to write a paragraph of research material (just "research") on whether it is necessary to create the posts of assistants to Directors of Bureaux or Deputy Secretaries. Members may feel puzzled. While Vincent CHENG's report was just dealing with the issue of Members' remunerations, why should this subject be covered in his report? Very often, people may employ whatever means to achieve their purposes. President, why should I say so? Do you

know what kind of views Vincent CHENG holds? He says that the committee is aware that the Government is promoting the further development of the political appointment system and is conducting a public consultation. So the committee thinks that the development of creating the posts of Deputy Secretaries and assistants to Directors of Bureaux to specifically undertake political work will affect whether it would find it necessary to adjust its established viewpoint on the nature of Members of the Legislative Council.

What is this established viewpoint? President, allow me to remind you: He says that we are pursuing a public service, not an occupation. But now the proposal of creating the deputy or assistant posts will change his mind about this. Why is it so, President? In fact, this is not too difficult to understand because the Chief Executive once mentioned something. President, do you not remember it? According to him, what kind of attributes should people possess in future if they aspire to taking part in politics or becoming the Chief Executive? Students must listen to this. He said such persons must possess administrative experience, and have taken part in elections. He said in future if they have done these, then they would be eligible for becoming candidates in the Chief Executive election. He has done all these. And he will soon get the support from political parties close to him and he should be able to create such posts, each of which carry a monthly salary of over \$100,000. After achieving this, he will encourage these assistants to run in the election in 2008.

However, will people earning over \$100,000 a month contest for such seats that carry a monthly salary of \$50,000? Of course not. However, by then, if the appointment of Members is suddenly considered to be an occupation and the monthly salary is over \$100,000, then will they all rush to run in the election? In fact, both the Secretary and the Chief Executive are very lovely. They have told us a lot. The Secretary seems to be saying: That would be fine as everyone can get what he wants. It dawns on us that we have to rely on this route. President, I have also said that, insofar as such posts of so-called assistant to Directors of Bureaux are concerned, they do exist in other countries. However, the basis for their existence is party politics. If a political party wins an election, then all the top men in the party will become Ministers or Secretaries, and then some other members will become their second-tier or third-tier aides, and that is the framework of the entire political party. Of course, if the party loses an election, then it will get nothing.

However, this is not the case with the authorities. They disregard party politics, or the Central Authorities do not allow the existence of party politics at all. Therefore, they just take away the top echelon of a certain party to appoint some of them as the ministers, and then select some others to become assistants. What about the people in the lower echelon? They would be considered irrelevant and no one would care about them. I find such a state of affairs really very nasty. I would not render my support simply because Vincent CHENG said that he would reconsider the case. I will not do that.

President, I would like to discuss another point as well. Earlier on, a colleague mentioned "positive non-intervention". In paragraph 68, the Chief Executive says he "welcomes the participation of the business community, the Legislative Council and members of the public in discussing" this subject matter, with the rubric of "big market, small government" and public expenditure not exceeding 20% of the GDP. And he also advises us not to "prolong philosophical debates over abstract slogans or terminology." In my opinion, for more than a decade in the past, what the Hong Kong Government has been implementing is a policy of positive intervention, instead of positive non-intervention.

President, I can recall that before 1997, the property market was booming, and the Government enjoyed dramatic increases in its revenue from both land sales and taxation. What had it been doing all the time? It had been doing its utmost in boosting the civil service establishment as well as introducing pay rises to civil servants. The authorities took the lead in trumpeting the prospects of the property market, thus leading to the further upsurge of property prices. The authorities even allocated large amounts of land to both the Housing Authority (HA) and the Hong Kong Housing Society (HS) to construct large numbers of Home Ownership Scheme (HOS) flats and Sandwich Class Housing Scheme (SCH) flats for sale to the people at high prices. After 1997, as we all know, we encountered the financial turmoil and the property bubble burst. In the beginning, the SAR Government (it was Mr TUNG Chee-hwa at that time) still insisted on implementing its housing policy of building 85 000 flats a year, which led to the emergence of over 100 000 negative equity families. These owners who bought the HOS flats and SCH flats at high prices are having a very hard time. But both the HA and the HS have pocketed handsome returns in tens of billion dollars. President, you may recall that apart from intervening in the property market, the SAR Government also expended over \$100 billions from

the Exchange Fund to buy shares on the pretext of defeating major speculators. The move artificially pushed up the share prices of blue-chip shares and distorted the development of the stock market. Even Mr Donald TSANG has also said that the Government would not do this anymore in future. However, I wonder if you still recall that the top financial officials were so smugly happy then, saying that after defeating such major speculators, Hong Kong's economy would revive steadily. But, quite contrary to this wishful thinking, Hong Kong did not revive six years after defeating such major speculators. Instead, we still experienced deflation. And it was not until 2004 when the Central Authorities gave us a helping hand that Hong Kong economy started to revive.

However, we cannot say that the Government has been doing nothing. President, since the Government intended to revitalize the economy, so it suddenly announced, without consulting the public or the Legislative Council, the construction of both the Cyberport and the Disneyland. This Cyberport involves 16 hectares of land. Without conducting any open tender, the Government awarded the development rights to the Pacific Century Group headed by Richard LI, second son of Mr LI Ka-shing. The practice ran completely contrary to the principle of fair competition in the market. Many property developers voiced extremely strong objection and even staged protests to the Legislative Council. What is the present situation now? The Cyberport has become a complete property development project. The information technology bubble resulting from it has subsequently burst. How many people have benefited from it? Certain financial experts have benefited from it. But have the majority of the people benefited from it?

The case of the Disneyland is even worse. President, we spent over \$10 billion on it, and the authorities had to provide a piece of land on Lantau measured over 200 hectares which was originally designated for the development of the Container Terminal 10 in exchange for an agreement with the consortium. And then we had to implement the project. In this way, we have sacrificed the development of the freight forwarding industry in Hong Kong, in return for a small theme park which is neither fish nor fowl, not operating smoothly and not popular with most Hong Kong people and the mainland visitors. Is this worthwhile? Should it be done in this manner?

Therefore, President, during the past decade, the SAR Government has intervened in the property and stock markets, kept giving away pieces of land to

large consortia, allowed the expansion of government departments and strangled the room of development of the free market. Now it is seeking to create more posts, adding such posts as deputy secretaries and assistants to Directors of Bureaux, and so on, to the framework of three Secretaries of Departments and 11 Directors of Bureaux. Regarding the organizational structure of the Government, apart from the bureaux and departments, there are also some 60 statutory organizations and related organizations such as the Trade Development Council, Productivity Council, Urban Renewal Authority, Hong Kong Science and Technology Parks Corporation, Cyberport, Hong Kong Mortgage Corporation Limited and Hong Kong Deposit Protection Board. These organizations have given many people the impression that they are competing with private companies for profits.

President, so when the Government says that it wants to protect the interests of large consortia and their profits, but the people say no to this, the Government says that it cannot comply with the request of the people because public interests are at stake. When we request the Government to enact legislation on the minimum wage and maximum working hours, it says this is contrary to public interest and the interests of the people. What kind of justifications are there? Therefore, I feel that the policies implemented during these past 10 years seem most meaningful and I believe the people should have some scores to settle with the Government.

Finally, President, when we talk about effective governance, it must be one that is free of corruption. In last year's policy address, the Chief Executive said in paragraph 30, "As Chief Executive, I accept the need for my office to be subject to anti-corruption regulation. To that end, the Government will introduce legislation into the Legislative Council as soon as possible to put in place the necessary legal regulatory procedures within the framework of the Basic Law." That was said one year ago, but this subject was not mentioned at all in this year's policy address. However, I have of course noticed that this item has been placed in the first slot of the Legislative Programme 2006-2007, which has just been presented to the Legislative Council. However, I do not know when the relevant legislation will be tabled. Last week, when I had a meeting with the Director of Administration, she could not give us any definite date. Furthermore, I hope they would not let my prediction come true: It would be most likely that the relevant legislation could still not be enacted after sovereignty was reverted after 10 years — by July next year, it will be the 10th

anniversary since the handover of sovereignty. Therefore, why should he still be talking about equality for everyone? The Chief Executive is not bounded by many provisions of the Prevention of Bribery Ordinance. In particular, those provisions governing public officers cannot regulate him at all.

Another point I would like to mention is, as reported in today's newspapers, Mrs Fanny LAW will soon assume the post of Commissioner of the ICAC. The Commissioner has already submitted the relevant schedule. It was because I had asked this at the Legislative Council: Since the very beginning (when Sir Jack CATER was the Commissioner) till now, the terms of office of different Commissioners are all different. For example, after the reunification, Mrs Lily YAM had served as the Commissioner for two years and four months, Mr Alan LAI three years, Mr Ambrose LEE one year and one month — why did Secretary Ambrose LEE have such a short term of office? It was because he was urgently required elsewhere. Mrs Regina IP had to step down, and since Mr TUNG Chee-hwa trusted Mr Ambrose LEE very much, he was soon appointed the Secretary for Security, so he could not go on serving as the Commissioner anymore. After his departure, he was succeeded by Mr Raymond WONG. Now, God knows what has happened and Mrs LAW will have to leave the Bureau she is currently serving. I find this unfair. I think the office of the Commissioner of the ICAC should have a term of five years or other duration, instead of serving whatever needs that arise in the SAR. Secretary Denise YUE must be aware that certain posts in overseas economic offices are pitched at D4, D6 or D8. Some officials might be appointed to such posts whenever the SAR Government has such needs or when it is necessary to put someone in such posts. However, persons taking up this particular post should not be called in when he is needed, and he should not be kicked out when he is no longer needed. Therefore, I hope apart from enacting legislation to regulate the Chief Executive, the Government should also straighten this up. Since there are so many problems in governance, President, it is difficult for me to support this policy address. Thank you.

MS MARGARET NG (in Cantonese): Madam President, before planning my speech for today, I took out my speech given in last year's policy address debate and found that I could practically read it out once again because what I said last year still applies today and the problems remain unchanged and unsolved.

On the rule of law, I was then concerned that the executive would become overbearing and arrogant and would not be willing to abide by the law of its own accord. It was unfortunate that what I said last year was correct. Of all the unlawful actions taken by the Government, the most notable one is none other than the interception of communications in violation of Article 30 of the Basic Law. I stressed during the debate on the policy address last year that the Court had ruled that the ICAC, in conducting covert surveillance in two cases, had violated the constitution and the law and this had to be remedied immediately. However, the Government stressed repeatedly that it did not agree with the judgement of the Court. That was a self-deceiving act. I now quote the record of my speech, "It has even argued that the executive order issued by the Chief Executive, Donald TSANG, in mid-August has provided a sufficient legal base..... The executive order is not a law, not to mention a law for safeguarding the freedom and privacy of communication. So, how can it provide the legal procedures to make covert surveillance, ruled unlawful by the Court, lawful?".

I feel sorry that the Government became more concerned only after someone had applied for a judicial review. However, after it had lost in the first round of the litigation, it still wanted to dispute the issue and when the Court of Appeal ruled that the government act had been unconstitutional and unlawful, the Department of Justice still wanted to make an application to the Court for an order to declare such actions "temporarily legal", that is, it went so far as to take such an improper action as asking that the actions be regarded as legal before the enactment of legislation. When the case was brought before the Court of Final Appeal, the Court ruled that what was illegal could not be turned into legal, however, the Department of Justice still tried to put up a desperate struggle by asking that the coming into operation of the Court's declaration be at least postponed. At the same time, it forced this Council to pass in six months' time a piece of legislation on interception of communications which nobody could understand, so this resulted in a marathon debate and the scandal of all the amendments moved by Members being all rounded up and butchered irrationally. In addition, a loose end was left in that when we proposed some amendments, the department concerned admitted that the legislation was not designed to protect the privacy of communication of the public by legislating to put into practice Article 30 of the Basic Law, rather, it was only intended to regulate the Government in using bugging devices to carry out covert interceptions. The then Chairman of the Bar Association, Mr Philip DYKES, SC, pointed out that this move would trigger even more litigations. In all these issues, what role did the Secretary for Justice play? Did he ensure that the Government abides by the law?

A precedent was set in covert interception when the unusual move was taken to request the Court to declare a "suspension". What followed was that in another case dealt with by the Court of Final Appeal involving presumption of innocence, the Government made the same request again by asking for a declaration of "suspension" after it had lost its case. If the presumption of innocence is violated but one can treat the matter as though nothing were violated, is this the position that a law-abiding government should take? Can the Secretary for Justice explain later what advice he has offered to the Government? How can doing so be considered consistent with the rule of law?

However, the reforms that should have been implemented by enacting legislation are not introduced despite a prolonged wait. One example is making amendments to the Prevention of Bribery Ordinance to cover the Chief Executive and I also raised this matter last year — Ms Emily LAU, it was the eighth time last year and this year, it is the ninth — and another example is to broaden the scope of the legislation on the prevention of domestic violence to meet the needs of society. So far, one can only hear the sound of footsteps but cannot see anything. Of course, we can see these items in the Legislative Programme this year, however, as Ms Emily LAU said, I have to look at the bills before I can be sure what the authorities have done. As regards such measures as the expansion of legal aid services, dealing with claims companies and strengthening the measures to enforce the rulings of the Court, the Department has so far prevaricated time and again. If the laws cannot keep abreast of the times, how can we possibly uphold the rule of law in Hong Kong?

Madam President, the legal sector is pleased to see that if an agreement is reached by way of contract, the decisions made by the Courts at the level of the Central Authorities and those in the SAR can be reciprocally enforced. However, the issue cannot be considered to have been resolved even though agreements and procedures have been put in place. With the increasingly intensive interaction between businesses and people of the SAR and the Mainland, it is more and more necessary to address the large numbers of problems that have arisen as a result of the different legal systems of the two places and find solutions together. It is not enough for officials of the SAR to discuss with officials or for the two professional legal bodies to discuss with the relevant mainland departments individually. What we wish to see is the Secretary for Justice playing a leading role so that various sectors in the SAR, such as the legal profession, academics and officials can organize open seminars on practical and

academic subjects together with mainland judges, lawyers and officials of the Ministry of Justice, so as to break down barriers and seek a way forward to solve problems. This is what the SAR, which is leading in its experience on the rule of law, should rightly do. Only in this way can we be truly worthy of the title of "international legal services centre" and live up to this accolade.

Madam President, I wish to talk about good governance. Last year, I talked about good governance in the debate on the policy address and I quote, "..... We can see that there is already a governance crisis, as well as unbalanced public policies and distribution of wealth, as a result of the Chief Executive's lack of public acceptance and public accountability and, the excessive influence, and even control, by the business sector.....promoting constitutional reform..... An even more pressing task is to build a stable and progressive society, where people can work and live in peace and have faith in justice..... Society cannot be considered to be fair and just if there is a widening gap between the rich and the poor, and if people still cannot earn enough to feed their families even after toiling round the clock."

One year has passed, however, not only have these problems remain unsolved, it has even become clear that the Government is actually incapable of solving it.

The clearest proof can be found in the part containing the conclusion in the Chief Executive's policy address, which betrays confused thinking and it is really disappointing. The Chief Executive, Mr TSANG, calls on Hong Kong people to be pragmatic and not to engage in ideological debates or utopian social projects. In fact, all political parties and members of the public are seeking practical solutions to the issues confronting Hong Kong and no one is debating whether socialism or capitalism is better, nor is anyone marketing any utopian ideology. As many Members have said, the subtext of the Chief Executive is to tell people to be resigned to their fate, not to think too much or ask too much, not to talk about the long term or any ideal and any perseverance is not just confrontation and wrangling, it is also ultimately a waste of time. This culture of resignation to fate will lead to an increasingly passive atmosphere and will pose a serious obstacle to the future of Hong Kong.

We may as well begin with "positive non-interventionism". The Chief Executive, Mr TSANG, argued that this was only an outdated slogan.

However, on the one hand, he called on the public not to be mired in arguments over slogans, while on the other, he proposed the rubric of "big market, small government". On the one hand, he suggested that various parties should discuss "when and to what extent the Government should ever intervene in the market", and on the other, when a Member — just now, Ms Audrey EU pointed out that it was Mr Jasper TSANG — requested that he discuss more specifically in what circumstances intervention should be made, when it should not be made, the duration and extent of intervention and the principles to be considered, the Chief Executive could only prevaricate and eventually, he was lost for an answer. This is because he himself is also relying on slogans and terminologies and lacks any clear long-term objectives and goals or solutions to existing problems such that the two can be taken forward in a complementary way and he can have method in making advances or beating a retreat.

The policy address suggested three major challenges for the future. In fact, we are already facing these challenges nowadays, so policies should have already been put in place. If the Government still has no idea of how to deal with these challenges and the underlying social contradictions, the public should be worried about how the Government can fulfil its responsibility in governance competently.

All along, a free economy and an open market have been upheld in Hong Kong and this will continue to be the case in the future because this is our only means of survival. The public fully understands and completely agrees with this. However, given the trend of globalization, not only does a free market bring about benefits and development, it also creates a lot of major social problems such as a widening wealth gap and the miserable lives led by the grassroots in Hong Kong. So the public wants the Government to face these social problems squarely. Free economy and globalization do not require any promotional effort by the SAR Government. However, social problems badly need government efforts to identify appropriate social policies to solve them or at least, to alleviate them. This is the first and foremost responsibility of any government and the primary responsibility of the Government is to face the public.

The minimum wage is designed to respond to the serious problem confronting members of the public who have to toil all day long but still cannot live from hand to mouth. If the Government says that it will not implement a

minimum wage, the problem will still be there. In view of this, what solution, what effective solution does the Government have to deal with it? The authorities cannot say that a free economy will eventually make the problem vanish — perhaps before the problem vanishes, the people will have perished. What good is such a Government to members of the public who are in dire straits?

The description of the three major challenges in the policy address is also very naive and laughable. The first is about economic development and environmental/cultural conservation as being "mutually exclusive". In fact, the way forward has been proposed long ago under the concept of "sustainable development", and it can also be found in government papers. The question remains how these concepts can be realized so that they can be enforced effectively in reality. A lot of developers in many regions in the world have learnt how to negotiate with local communities and green groups at an early stage and these groups have also learned how to actively seize the opportunities to improve the environment and their communities. The attitude of the SAR Government should be to promote negotiation and play a facilitating role, instead of adopting an attitude of the Government and businesses defending one another — I am not going to say "collusion" between the Government and businesses anymore — however, this Government has regarded green groups as the opposition, that is, it is only possible for the Government and businesses to negotiate, but this is not the case with regard to green groups. No matter what the grounds cited by these groups are or what inadequacies in the plans are pointed out by them, and be it the Tamar Project or the West Kowloon Cultural District Development, it is always the same. In fact, green groups have offered very good advice on all matters. It is not true that we do not support any plan or any development. The Chief Executive cited one proposal as an example, saying that we wanted to turn all sites for buildings into lawns but that was totally inaccurate. This is because the green group concerned only pointed out that some members of the public had suggested that the site be turned into a lawn and if it was turned into a lawn, it would look a certain way but other members of the public believed that the construction should proceed, so the green groups asked the public how the project should proceed. These green groups only wanted the public to take part in the process, so that the majority public will find the environment on completion of the project to be acceptable. Therefore, these groups can by no means be regarded as the opposition.

The second challenge is the democratic system. On this item, the Chief Executive, Mr TSANG, has adopted an attitude of "either friend or foe" and this is by no means the right way to seek consensus. In a Question and Answer Session of this Council, the Chief Executive refuted that the problem laid in the unwillingness of the pro-democracy camp to make concessions. Even if he were correct — even if he were correct — his attitude is not the right way to seek a consensus. Does he mean that each time, he should reach a "consensus" only by decimating his enemies? The power and responsibilities in the hands of the Government and those in the hands of the public are not equal. If the Chief Executive extends his palms to ask other people to come up with a "consensus proposal" that has the approval of all the people before he will proceed with and implement it, this is really not commensurate with the power and responsibilities of the head of the Government. What the Government has to do is to actively channel public opinions, make use of the role of the Chief Executive and the trust and respect he can gain and find a way forward acceptable to all parties amid the confrontation after duly considering various proposals, then seek the support of various sectors. Any Chief Executive willing to do so will stand greater chances of success than the Chief Executive, Mr TSANG, in adopting such an attitude.

The third challenge is a harmonious society. The policy address raises questions but does not offer any answers and I cannot find any answers in his philosophy of governance or deeds. Rather, I prefer quoting Mr XIAO Yang, the President of China's Supreme People's Court, who said that — I also mentioned this last year — a harmonious society is a just society. A just society strives to give all people equal opportunities to truly work for their own well-being. Fair and free competition includes fair, open and free competition in the political system. With competition, the public will have choices, people with talent and aspiration will have the opportunity to forge ahead, society will have vitality and progress and Hong Kong can vie for truly world-class status in the international arena. Every one of us has the right to talk about the Hong Kong that we wish to see, so all of us should hold together. It is all the more necessary for the Chief Executive to do so, such that people can see whether he wishes to lead us.

Madam President, I so submit.

MR LEE CHEUK-YAN (in Cantonese): Ms Margaret NG just now referred to the three challenges mentioned by the Chief Executive. I think it is very

ridiculous for the Chief Executive to raise this topic. As pointed out by Ms Margaret NG, these three challenges have always existed. When he said that these challenges will not be considered until the next term, did he actually mean that they can be brushed aside this term? Does he mean that he can wait for the next term with folded arms and then write a longer policy address when the next term comes? These challenges have always been here. The incumbent Chief Executive must face them and so must his predecessor. The problems have been with us for several years already.

This explains why after reading the policy address, I find Hong Kong people very pitiable. Hong Kong people are very capable and full of vision. But why is their Chief Executive a person like this? At the very beginning, Hong Kong people looked at the Chief Executive with many expectations. His popularity rating was very high and people thought that he was trustworthy because he had been a civil servant for several decades and he grew up together with all of us. I believe people will now start to wonder, "Why are things like this now?" I think that this question is precisely the focus of all our present discussions. The point is that Hong Kong does not face three challenges. I think there is just one challenge, the challenge of how we can make our politics return to normalcy.

What are politics anyway? President, politics are simply about the distribution of benefits, which is very practical. If the distribution process is marked by the handing out of all benefits behind closed doors, how can there be social harmony under such an abnormal political situation? How can there be good governance? I can still remember a very famous remark made by Mr LEUNG Yiu-chung. I am going to quote this remark once again today. I very much agree to this remark, which is "foul grass grows out of a foul ditch". Such a morbid, half-baked system of democracy under which the Chief Executive is returned by a coterie election can never nurture any politician and a Chief Executive with a sense of commitment. Therefore, I sometimes really think that there is not much we can do, for Donald TSANG is just a product of the system. Under such a system, there will be such people because the system will definitely make the Chief Executive succumb to the coterie of electors and the Central Authorities. We used to comment that TUNG Chee-hwa was a good man, only that he was a bit incompetent. But he was likewise subject to the same constraints. Donald TSANG is very "smart" in contrast. But can a "smart" man make any difference? He must similarly succumb to the coterie of electors and the Central Authorities. However, Donald TSANG is different in

one way. He shows no sense of commitment and vision. He is in fact "a typical Hong Konger". Frankly speaking, the expression "a typical Hong Konger" is slightly negative in connotation. A typical Hong Konger is similar to a character created by JIN Yong, named WEI Xiao-bao, who is noted for playing "smart". Donald TSANG, a political figure who seeks to take advantage of all sides like WEI Xiao-bao, has indeed given the fullest expression to "smart" politics, especially in the latest policy address.

President, the policy address is entitled "Proactive, Pragmatic, Always People First". Concerning the expression "Always People First", the public must not have any misunderstanding. The word "people" here refers not to the general public, nor does it mean the masses. It simply refers to a special category of people, that is, those people who have the votes. "Proactive" and "pragmatic" actually mean "submissive and crafty". Donald TSANG has been talking a lot about pragmatism these days. He intends to sell what he describes as pragmatic politics and wants us to be more pragmatic. Before going into pragmatic politics, I think we must distinguish "pragmatism" from "submitting to circumstances" and "being submissive". Pragmatism means the adoption of feasible means to realize one's ideals. But one who submits to circumstances will not care about any ideals. Pragmatism means a strong sense of right and wrong, but those who submit to circumstances frequently confound right and wrong, treat people differently on the basis of affinity, cling to the rich and powerful and alienate themselves from the masses, because only the rich and powerful have the votes. A pragmatic person will steer in his clear directions, but one who submits to circumstances will only know which way the wind blows. A pragmatic person is full of a sense of commitment, but one who submits to circumstances will only procrastinate as much as possible.

That the policy address this year is "submissive and crafty" can be reflected in several ways. First, as Members can observe, the policy address is an apt reflection of my saying that those who submit to circumstances frequently confound right and wrong. How are right and wrong being confounded? As pointed out by Ms Margaret NG just now, those who cling to their ideals are described as being intransigent, and the defence of democratic convictions is dismissed as elementary politics with sole emphasis on ideologies. How are right and wrong being confounded? On many recent occasions, government officials, including the Secretary who is present now, have criticized us, the opposition, for vetoing what they describe as a democratic reform package last year. They claim that it was a democratic reform package. But President, we

must not forget that the package would empower the District Council members appointed by the Chief Executive to vote in the Chief Executive Election. It did not even mention the proposal on abolishing appointed District Council membership, an issue not covered by the Basic Law. But then, this proposal on empowering the District Council members appointed by the Chief Executive to vote in the Chief Executive Election has been described as a democratic reform package. Last year, we repeatedly described this package as leading us to move sideways instead of enabling us to make any forward progress. But those who pointed out the problems with the package were wrongly blamed for vetoing it. The Chief Executive should remember this. Actually, even the "advisers" around him do not quite accept the proposal on retaining appointed District Council membership.

The second way in which right and wrong are being confounded, as also pointed out by Ms Emily LAU just now, concerns the recent discussions in the Commission on Strategic Development (the Commission) on the form of universal suffrage to be adopted for returning the Chief Executive. In this connection, I raised the point that all Hong Kong people should be allowed to make nominations. But, in no time, my proposal was dismissed as a violation of the Basic Law. They immediately said no. However, my proposal is in fact perfectly in line with the Basic Law because the nominations made by the people must still be validated by a nominating committee. Some pro-Communist people have put forward another proposal under which candidates are to be screened by those in power beforehand. This is the process of pre-screening referred to by Ms Emily LAU just now. But this proposal is likewise in breach of the Basic Law provision on nominating candidates in accordance with democratic procedures. But neither the Secretary nor the Chief Executive has said no right away. Why have they said no only to me? Why have they not said no to them as well? It is obvious that right and wrong are being confounded here. The Chief Executive has even said that detailed studies are still required.

There is yet another area where right and wrong are being confounded. Members may read the relevant documents of the Commission. On the ultimate form of universal suffrage — I am not talking about any transitional arrangement but the ultimate form of universal suffrage — functional sectors are still in the picture. I fail completely to understand why this should be the case. If they are talking about universal suffrage, how can there be any more functional sectors? Their sophistry is that universal suffrage can be based on the

nominations by functional sectors. They have also advanced the sophistry of a bicameral system. But it looks likely that a bicameral system will also be banned, because the Secretary remarked last time that the idea was opposed by the majority. That being the case, why is it that even now — excuse me for being ignorant, for I am not wise enough to follow their sophistry and I simply cannot understand why — even when they are talking about the ultimate implementation of universal suffrage, they still want to maintain the functional sectors? Even now, I fail to understand why. But I always think that this is nothing but an attempt to confound right and wrong — something they are best at. The reason is that they have not yet been able to ascertain the position of their superiors.

Besides confounding right and wrong, as mentioned just now, the policy address is obviously very "submissive and crafty". It skillfully dodges all contentious issues. It is concerned only about those who have the votes and seeks to please them, that is, the rich and powerful. Obviously, all contentious issues are dodged by all means. President, honestly speaking, I am not asking the Chief Executive to follow the example of our former Premier ZHU Rongji, who said that he had purchased a coffin before he started the "battle". I am not asking the Chief Executive to purchase a coffin beforehand. We do not need such melancholic heroism. We only hope that at critical moments, he can pluck up a bit of courage to insist on the righteous cause. Unfortunately, at all such moments, the Chief Executive will simply choose to curry favour with the rich and powerful and abandon the people. Because of this, the entire system is now "people"-based, that is, based on the people who have the votes.

Secretary Frederick MA once remarked that Members who opposed the introduction of a GST were concerned only about votes. According to him, directly elected Members' sole concern is to curry favour with electors. There is nothing wrong for us to do so. But when trying to do so, directly elected Members will all accord priority to the people's interests. In contrast, President, when it comes to the coterie election that returns the Chief Executive, the votes for the Chief Executive and the interests of the rich and powerful and plutocrats are all bundled up. This is the worst feature of the entire system. This type of politics sees the bundling up of everything — the bundling up of the Chief Executive's interests and those of plutocrats. Consequently, as we can observe, all contentious issues are evaded by all means in the entire policy address. The business sector is a minefield. Anyone making any wrong move will certainly cause an explosion and lose his feet. For this reason, the Chief

Executive will certainly refrain from touching the interests of the business sector. The issue of setting a minimum wage is the best example. The Chief Executive reckons that if a review is conducted two years later, he will not have to face the issue in the Chief Executive Election one year or several months later. In this way, he can please both sides. He can tell the business sector that he has not tried to enact any legislation. At the same time, he can also say to the labour sector that studies will be conducted two years later. Actually, at the end of the day, there will be no legislation all the same. This contentious issue will continue to be evaded. His only concern is just the interests of the rich and powerful and the business sector.

Another clear example is family support, an issue frequently mentioned. What has the Government done in respect of family support? It has implemented the five-day week arrangement for its employees. But after doing so, it claims that it has done all it should do, as it has already implemented the five-day week work arrangement. It then says that the business sector and everybody else are encouraged to follow suit. However, no policy has been formulated and there is no legislative support. Nothing has been done in respect of the regulation of working hours, an issue we have been talking about for a very long time. Why has nothing been done? Because the business sector will certainly be unwilling to take any actions. For this reason, the issue is evaded, so are many other issues.

What is more, the idea of smoking rooms was raised all of a sudden for no good reasons. Is that because the Chief Executive has held some sort of discussions with the Liberal Party or Mr Tommy CHEUNG? We just do not know. After his visit to Beijing, Liberal Party Chairman James TIEN named Secretary Dr York CHOW for criticism on 22 September. Then, barely a month later, Secretary Dr York CHOW made concessions on the issue of smoking rooms. I am not saying that Mr James TIEN like the idea of smoking rooms. He is in fact opposed to the idea. But for reasons unknown, people always manage to receive benefits after making criticisms. What happened during the interim anyway? I am not saying that the two matters must be bundled up. But we can observe that the Chief Executive will always pay heed to his constituents at the end of the day.

However, President, as I pointed at the beginning of my speech, the most miserable thing about Hong Kong is that its politics are not normalized. We also know that in order to normalize our politics, we must implement universal

suffrage for the two major elections. This is the only way to ensure the normalization of our politics, to enable the Government to receive the people's mandate. However, President, as you can also see, there has been no timetable for the implementation of universal suffrage so far. People may well argue that the Chief Executive is caught in a very difficult position. Since the Central Authorities have not given its approval, how can he produce any timetable? Hong Kong people are indeed very lovable, for they can forgive anybody for anything. But I often say to myself, "He is the Chief Executive, so if we always forgive him even though he fails to get many jobs done, it will make no difference even when a puppet is put in his place." Anyway, this is more or less the case already because he is indeed a puppet. Are we Hong Kong people really so pitiable? Should we be content with just making some noises? Should we then stop doing anything more even though we know for sure that he is just a puppet? We hope that Hong Kong people will not try to make themselves so helpless. I think if the Chief Executive really has any sense of commitment, we should expect him to represent all Hong Kong people in the fight for a timetable on implementing universal suffrage. However, I can observe clearly that the SAR Government has never dared to use the word "fight". On every single occasion, it will say that the word "fight" must not be used. It will ask, "Since our interests and those of the State are simply the same, why do we need to 'fight' for anything?" But the point is that whenever it is necessary to fight for something, we must do so. We have never seen any guts on the part of the Chief Executive as far as this issue is concerned. President, I think Hong Kong people are all waiting for the announcement of a timetable on universal suffrage by the Government.

President, I see that Miss Denise YUE, the Secretary for the Civil Service, is present now, so, finally, I wish to say a few words on the Civil Service. I shall be very brief and I wish to talk about the non-civil service contract staff of the Government. Half a year ago, the Secretary for the Civil Service promised that after all the government departments had completed their reviews half a year later Well, all the 15 000 non-civil service contract employees have remained "temporary staff" contract after contract, for more than a decade or at least several years. When will justice be done to them? For how much longer must they put up with "unequal pay for the same job"? What is the most dangerous problem with all the relevant discussions or reviews? The problem, as the President is also aware, is that the business sector is very concerned about the size of the Civil Service. The business sector has been forcing the Government to downsize the civil service establishment. For this reason, the

number of civil servants has been reduced to 160 000. I have one worry. As I frequently point out, the election is controlled entirely by the business sector, so it will watch out for any increase in the size of the Civil Service. There are currently 160 000 civil servants and 15 000 non-civil service contract employees. If there is going to be no increase in the civil service establishment, if the constraint imposed by the figure of 160 000 is not removed, how can the latter become civil servants?

I believe that Secretary Denise YUE is a good person. She says that there will be a serious review. I do believe that she is a good person and she will certainly conduct a serious review, but I must say that at the end of the day, she will still be constrained by the figure of 160 000 — in the very much same way as hairy crabs are bound by straws, in the words of Director of Housing Thomas CHAN. If she cannot remove the constraint, any review will turn out to be farcical in the end. I therefore very much hope that the Secretary for the Civil Service can deliver to us the message that there is no longer any quota of 160 000 civil servants. That way, we will have confidence in the review. If such a constraint no longer exists, the necessity of each and every post will be examined very closely and seriously in the review. That way, these people will not have to remain "temporary" staff again and again. But I do understand that at this time of election, the Secretary is not supposed to say anything like this because she will certainly offend some people. As I pointed out just now, it is essential to be "submissive and crafty". Therefore, this issue must also be evaded. Let us see how the Secretary is going to evade the issue. Thank you, President.

MRS SELINA CHOW (in Cantonese): President, as at 30 September this year, I had been a Legislative Council Member for 25 years. Although I am not the oldest, I am certainly the most senior Member. As far as I can recall, this policy address is probably the shortest one in the past quarter century. This is actually not surprising because only eight months are left in Chief Executive Donald TSANG's term of office, and it is very hard to for him to put forward any visionary and ambitious plans. We can easily imagine that if he puts forward large numbers of long-term plans, he will easily be criticized by many for making an unfair start to prepare for running in the next Chief Executive Election. That being the case, I simply wonder why the Civic Party is not grateful. The reason is that if Mr Alan LEONG really decides to run in the election and finds that the Chief Executive has already started his preparation now, he should be the first one to lodge a complaint. Therefore, the prudence

of the Chief Executive is understandable. I think his approach is appropriate, and it has the support of the Liberal Party.

The Liberal Party has always been regarded as a friend of the Government. But over the past one year, there would be news every now and then that our relationship with the Government was very tense. In some cases, the news was just "rumours". (*Laughter*) But in other cases, such news was true in some measure. But I have always believed that our party and the Government are natural "soul mate". Emily, I would translate "soul mate" as "靈魂伴侶". (*Laughter*) When compared with other political parties, we are closer to the Government in terms of conviction and values. And, as a matter of fact, due to long years of co-operation, we have built up a very solid understanding of the establishment. Therefore, basically, and I mean basically, there are not any major differences in opinions between the Government and us. The Liberal Party, for example, attaches very great importance to the economy and we agree to the principle of "big market, small government". We support democracy, but at the same time, we also understand that since Hong Kong is part of China, our discussions on constitutional development must be conducted within the framework of the Basic Law.

A more recent example is the policy address. We share the views of the Government in practically every policy area, and we are more than happy to render our support. Although we may not agree entirely with the Government when it comes to some specific minor details, we still think that they can be accepted after slight improvement. And, overall, we do not have any strong objection. We therefore support the original motion without any reservations.

President, three challenges are discussed in the conclusion of the policy address. We agree to the point on boosting investment desire. Actually, we can observe clearly that, thanks to Chief Executive Donald TSANG's efforts, the Government has become much more decisive in making public investments. And, I suppose the steadfast support and continuous persuasion of the Liberal party must also have played a catalytic role. But I must also raise the point that the Government has time and again shown a lack of understanding of the situation of small and medium enterprises, and it seems that the Government is not sensitive to their needs either. And, these small businesses are often neglected as their voices are weak and they are not tightly organized. But these enterprises constitute a very big group in society and they are also a pillar of society. The Government must therefore intensify its efforts in this respect.

That way, it can ensure the integrated and balanced development of the economy and disprove the general perception that it is biased towards the needs of some large consortia.

President, in the last paragraph of the conclusion of the policy address, the Chief Executive outlines his vision of building a harmonious society. Like him, I have the same dream and I believe this is also the aspiration of Hong Kong people. Unfortunately, pragmatic as I am — I believe some Members may not like this word too much — I must admit that it will be very difficult to make this dream come true. I can remember that when I first became a Legislative Council Member, the British Hong Kong Government was very successful indeed in its advocacy of consensus politics. What we had at that time was a colonial administration and the whole Legislative Council was appointed. In spite of this, Hong Kong people were still able to lead a free life. However, ever since the introduction of elected membership, it has become increasingly difficult to seek any consensus. Because Members, as representatives of the people, are obligated to make the voices of their constituents heard. Honestly, I must say that this is only natural in a pluralistic society like Hong Kong, because in our society, there are divergent views, many different opinions and even many different proposals on solving our problems. But is the forging of consensus a necessary condition for building a harmonious society? Is that really the case? If the pan-democratic camp can stop questioning the trustworthiness of the Government on the ground that it is not directly elected, and if the Government can likewise stop resisting the people's participation in the name of strong governance, I think the tension will certainly soften a bit and will not become as confrontational as we fear it may.

Actually, most of the people I have come across do not question the legitimacy of the Chief Executive and the Government. They also trust and support them to a certain extent. But they also have expectations for them and their demands are quite tall as well.

President, the Chief Executive pledges to adopt a "people-based" approach. If both the Government and the people can respect each other more, if they can make fewer criticisms, if all can join hands to pursue the common goal of striking a right balance in Hong Kong I must emphasize that we must strike a balance because the past success of Hong Kong owed itself to a balance instead of any confrontation. I can observe that very often, politics will lead to confrontation in society in many cases. Why is it impossible for employers and

employees to join hands? Why must they always oppose one another? Why must people say that all employers are unscrupulous? Mr LEE Cheuk-yan has just left the Chamber. According to him, Hong Kong people are very lovable. I think Hong Kong people are capable of accommodating differences while seeking common grounds. All of us want to have the freedom of expressing different opinions. We also want opportunities of participating in and contributing to society. And, our Government also hopes to create a sound platform with a cordial atmosphere. If all of us can do so, even if there is no consensus, I believe that we will still be able to build a harmonious society. Thank you, President.

MR JAMES TO (in Cantonese): President, I may perhaps say a few words on my concern about public security. Two months ago, we passed the Interception of Communications and Surveillance Ordinance. Of course, I am not going to repeat all the points discussed in the debate. It is largely meaningless to do so. But honestly speaking, one can say as a conclusion that the public are well aware of how the legislation was passed.

There are still many problems with the contents of the Ordinance. I hope the Government can realize all these problems and pay attention to them in the next review. First, the Chief Executive is not subject to this legislation. In other words, the Chief Executive may engage in interception of communications free from the supervision of any laws. Second, even when disciplined services engage in interception of communications or covert surveillance in contravention of this Ordinance, they are not subject to any criminal or civil sanctions. However, what is so ironical is that in response to the recent publication of an artiste's paparazzi picture, the Government — in particular the Chief Executive — has remarked that it will be necessary to seriously study the report of the Law Reform Commission. This may mean the emergence of an absurd situation in the future, under which journalists may face criminal charges for taking secret pictures while the disciplined services can do so without any consequences. I hope the Government can pay heed to this. Third, since supervision is to be imposed on equipment only, many lawsuits and queries concerning violations of the Basic Law and privacy may arise. Fourth, although undercover operations and the related activities of intelligence gathering will constitute serious infringement of privacy, they are not subject to any supervision. Finally, we will not be provided with any statistical breakdowns or even any consolidated figures on security operations as opposed to crimes. For this reason, we are not

convinced or satisfied that the existing ordinance can protect the general public against political surveillance.

Why have I raised these five points? I actually hope that the Government can refrain from asserting that a review will not be required until several years later. The reason is that as long as such practices are employed, as long as there are any infringements of the people's rights, such threats will continue to exist. What is more, since the very extensive debate before the eventual passage of the legislation has gradually aroused the concern of the people, the Government must address the problem squarely.

However, regarding the reform of all such legislation, I still hope that the Government can make a clarification — because it has already made an undertaking — on what kinds of information gathered from interception of communications or covert surveillance can be stored in the criminal intelligence system and what kinds of information cannot. And, I also hope that the Government can clarify how it will conduct a comprehensive review of the protection of people's privacy. I think this is even more important than the enforcement of the Ordinance, because once any information is fed into the system, it will be kept permanently. A very undesirable situation may arise, under which such information may pose serious threats to people's privacy or even turn our society into one marked by political surveillance.

Another thing I wish to talk about is the recent spates of serious crimes involving police officers. I think this will seriously tarnish the reputation and image of the police. In some cases, such as suspected indecent assault, it may not be possible to identify those police officers especially likely to commit such crimes. It is usually more difficult to notice who will commit such crimes. But there are other crimes involving corruption or close association with undesirable elements. Such crimes may turn a law-enforcement officer into a law-breaker, leading to a very "messy" situation. I think that in cases like this, internal monitoring must be put in place in addition to the surveillance by outside organizations such as the Independent Commission Against Corruption (ICAC). I think that it will invariably require very good skills on the part of the team leader, be it a sergeant, an inspector or a superintendent, to handle such cases. On the one hand, the whole team must work together as closely as brothers and sisters in order to gather information for case detection, and in so doing, they must face many dangers together. At the same time, the team leader must also have the appropriate skills of detecting whether his subordinates are in any way

associated too closely with any undesirable elements. An appropriate balance must be struck and this requires skills. I hope that the police can step up internal monitoring in this respect. The reason is that there have been some cases, or even cases of conviction, in which lots of very important operational information of the police was divulged for merely several thousand dollars or \$10,000 to \$20,000. Are such cases the ice of the iceberg? Or, are they just caused by the misconduct of individual officers? I am very worried about such a situation.

Another problem is Internet or computer crimes. I notice that recently, or, precisely, in recent years, I have been reminding the Government that it must invest more resources. I know that the Government has drastically increased its resource investment. But under the current circumstances, I believe that we must still intensify our efforts and continue to increase our resource investment. Why? Since many years ago, I have been reminding the Government that crimes in the future may no longer be in the forms of plundering or robbing people of a certain amount of money. In the future, a criminal may simply take on some Internet experts. It will not be necessary for him to be present in Hong Kong to commit a crime. He may simply take on some Internet or computer experts to steal huge amounts of money for him while he himself is lying on a beach or an uninhabited island. All such crimes can be called Internet or computer crimes and frauds. Hong Kong is an international financial centre providing a wide variety of financial services, so I believe that we must co-operate with the rest of the world in order to defend our reputation as an international hub. Although Hong Kong has always been ahead of others in this respect, I still hope that we can maintain our leading position, share our experience with the rest of the country and even take the lead in exporting such services to the whole world.

I have been expecting the passage of the bill on the Independent Police Complaints Council (IPCC) for many years. Year after year, I have been hearing that the bill will be put before the Legislative Council. I have recently made an enquiry with the authorities concerned, and I have been told that they are consulting the IPCC. I know that the massive leakage of personal information has scared the IPCC a very great deal, and many worries and opinions have been expressed. But if they do not hasten to table the legislation before the Legislative Council, I am worried whether it can be passed within the current term of the Legislative Council. If it cannot be passed, there will be a further delay of several years. The greatest dispute is still the question of how

much improvement there can be if the IPCC is turned into a statutory body with no independent power of investigation.

I have been talking about the Organized and Serious Crimes Ordinance *ad nauseam*. I have said time and again in recent years that since the passage of the Organized and Serious Crimes Ordinance nearly 10 years ago, the public have been eagerly expecting the authorities to invoke the most powerful provisions of the legislation. And, in fact, the Government did give us very great hope at the time of passing the legislation. According to the Government, the passage and enforcement of the legislation will enable it to effectively dismantle some triad societies and crime syndicates. However, after 10 years of implementation, we still cannot see any great effect (If the legislation is not powerful enough, should the Government come back to us for further discussions?). If it is really effective, then why have we only seen increases in prison terms from one year to two years or from two years to four years in some isolated cases, instead of a silent war as promised? The original hope is that small potatoes at the bottom may betray their heads; petty leaders may betray the highest leader; and, the No. 2 man may betray the No. 1 man. All these acts of betrayal may dismantle some crime syndicates or triad societies. But it seems that the Ordinance has never been invoked for any cases over the past 10 years. Several years ago, I obtained some information and was given an assurance that an operation was already underway, that the "rice was almost cooked", and that the mission might be accomplished pretty soon. I even remarked, "There will always be hope tomorrow." However, as time passes, I have started to lose confidence. We have been waiting for 10 years. They may be talking about an undercover operation, but that again, I simply wonder whether anyone can remain undercover for 10 whole years. I really hope to see some actual progress one day.

According to Ms Emily LAU, it seems that the ICAC may replace its chief. In this connection, I have several points to make. First, I have been asserting for many years that when selecting a chief for the ICAC, the Government should look for someone who will not rejoin the Government, or else it will be difficult to ensure the appointee's actual independence and independent image. This advocacy is not based on my personal opinion about any individuals. Second, how can we prevent the Chief Executive or his appointee from manipulating the ICAC and reducing it to a political tool? One possible monitoring or defence mechanism can be the independent members appointed to the Operation Review Committee. But all members of the Committee are appointed by the Chief

Executive, so for many years, I have been asking whether it is possible for some members — just a few, perhaps — not to be appointed by the Chief Executive. Ms Emily LAU was of course right in saying that if there can be a fixed tenure for the ICAC chief, he or she will enjoy relatively more independence in regard to his or relationship with the Chief Executive. Why? We also hope that there can be a fixed tenure for the Privacy Commissioner and The Ombudsman, for example. We need not necessarily follow the appointment system for Judges. But if there can be a fixed tenure and an appointee can thus stay in office after the departure of the Chief Executive who appointed him, then there will be some sort of check and balance between the incoming Chief Executive and the appointee. Therefore, I think that there is room for further reviewing the system.

Finally, some have asked whether it is a good thing or bad thing to appoint a strong leader to the ICAC. My answer is that since I cannot preclude the possibility of a strong leader being influenced by his political prejudices, I am not without any worries. In that case, I suppose there will be some risks. Therefore, I do have some reservations.

Finally, I wish to raise one issue again, an issue that I have repeatedly mentioned all these years — confidence tricks in the streets. Such confidence tricks are everywhere, but I think our publicity should also be all-pervasive. We must make active attempts to find out what kinds of people — I am not talking about senior citizens only — will not even read any newspapers or use the Internet. We must then find out who will have the opportunities of visiting these people. In case all these people are living alone or have to work very special hours, we must seek to learn about their needs as much as possible and conduct all-pervasive publicity among them, so as to make them understand what is going on and prevent them from being cheated. I think this is a challenge to our Government. I believe that even though con men may continuously come up with new tricks to con people of their money in the streets, we can still win the battle and curb such crimes as long as we can step up our publicity and intensify our preventive efforts. But speed is of the essence. Once we notice any new con tricks, we should In other countries, there is even the instant transmission of messages. If people can receive certain information, such as messages via the Short Messaging Service (SMS), the Crime Prevention Bureau of the police may transmit a million or so SMS messages instantly to people's mobile phones. It is of course true that some people may not have a mobile phone, but even so, when young people return home in the evening and have dinner with their families, they can at least recount the message to their elderly

family members or other people. Therefore, I think that in regard to some fraud websites, the transmission of SMS messages can serve the purpose of disseminating information instantly. In some cases, it may even be possible to hold a press conference in the afternoon right after the occurrence of a street con trick in the morning.

Lastly, I wish to say a few words on ambulance service. At this moment, I still cannot see when the Government will introduce a priority dispatch system. But I must nonetheless make one last remark here. I must reiterate my worry that a priority dispatch system may be the first step towards the levy of charges for ambulance service. The reason is that the rationale behind the introduction of priority dispatch system may lead the Government to ask, "In case even a priority dispatch system fails to solve the problem, are we supposed to inject additional resources endlessly?" Therefore, at the end of the day, charges may have to be levied. In this regard, I hope the Government can realize that our claim that people's burdens are growing heavier is not based on one or two items of fees and charges. We are looking at all things as a whole, and in this way, people have come to realize that the Government is indeed very mean, so mean that it is even turning its attention to a sales tax, the hospital beds under the Hospital Authority and an ambulance service charge amounting to several hundred or even a thousand dollars. When all the problems and pressures are added together, people will think that the Government is heartless. I hope the Government can heed our advice.

MR CHIM PUI-CHUNG (in Cantonese): Madam President, there are 76 paragraphs in Chief Executive Donald TSANG's second policy address — I trust he will have the opportunity of delivering his third policy address next year. Legislative Councils Members are all like a Judge hearing a case — no matter which side we take or whatever views we may have concerning the policy address, we will invariably have our own theories, either in support of or against the policy address.

I think the Chief Executive has already done enough for environmental protection. The reason is that 16 out of the 76 paragraphs are about ways of addressing the issue. The policy address also attaches great importance to the family, because there are eight paragraphs on family issues. As for education, there are also six paragraphs. There are altogether 30 paragraphs on these three issues.

Madam President, many people say that we will not see the true self of the Chief Executive or Mr Donald TSANG until 1 July 2007. It is said that since he must pave the way for re-election and becoming the third Chief Executive, he must occasionally act against his policy intentions and personal decisions in the meantime. This is nothing but a conspiracy theory. I am sure that people will be more interested in knowing that the Chief Executive will have to listen to three organizations in the future. The first one is the Central Government. The second one is the opinion polls he trusts. The third is the former ruler of Hong Kong, the British Government. Why do I say so? In the case of the first organization, Members all know that he was appointed by the Central Government, so he must support it and obey its orders. There should be no doubts about this.

Second, he believes in the power of public opinions because his popularity rating has always been very high. It is his established policy to deal with the Central Authorities with the backing of public opinions. Unfortunately, however, there has been a change lately. Why? The reason is that the two major newspapers noted for vigorously supporting the Government have suffered a business decline of more than 80 percentage points. Members all know that unless all the acts of a government are closely in line with the people's interests, people who support or help the government will be eating some kind of poison. Members belonging to political parties must bear in mind that as Legislative Council Members, we must not follow the Government blindly and must correct its mistakes, or else we will only bring harmful consequences both to the Government and ourselves.

Third, why am I so bold as to say that the Chief Executive must listen to the orders of the former ruler, the British Government? We can remember that before the announcement of the constitutional reform package in 2005, the Chief Executive once publicly requested all Secretaries of Departments and Bureau Directors to report the progress of constitutional development to Mrs CHAN? Mrs CHAN was just an ordinary Chief Secretary for Administration. Why should government officials still report to her? Was that because the Chief Executive knew that she still represented the interests of the British Government in Hong Kong? The answer to this question will not be known until he offers a detailed account to all Hong Kong people.

Madam President, we know that the third Chief Executive Election will be held on 27 March next year. The 800 electors represent as many as 38 different

organizations. I am very concerned about this. In the past, the Governor of Hong Kong was appointed by the British Government and the Governor was only accountable to the British Government, especially the Under-Secretary of State for Foreign Affairs. The Chief Executive is returned by election and subsequently appointed by the Central Authorities. But in the process, the support of electors is required after all. And, he is a particularly ambitious person, so he wants to create an impressive figure. Therefore, he will make many promises before the election or even issue many "blank cheques". How is he going to honour all these "blank cheques" and promises? I think this will have implications on his administration and work.

As I pointed out just now, there are as many as 38 organizations, and many of them are people's organizations. That being the case, he will have to attend many banquets and celebrations. There are just 52 weeks in a year, which means that he will have to show up at such functions once or twice every week. This is of course a way of reaching out to the people, but the work of the Chief Executive will certainly be affected.

Madam President, in paragraph 15 of the policy address, it is emphasized that the National 11th Five-Year Plan states clearly that "support will be given to Hong Kong's development on fronts such as financial services, logistics, tourism and information services." I shall give my views on financial services in the second part of this debate. As for the other fronts, I simply wonder whether the Hong Kong Government will render any policy support. I think it is necessary to conduct a comprehensive review.

Madam President, in the following part of my speech, I wish to discuss the three future challenges mentioned by the Chief Executive. According to him, the first challenge is how to sustain economic development. We know that our society is undergoing a process of restructuring. The whole economy has become almost entirely service-based, and the retail industries only play a secondary role. The State's relaxation of the Individual Visit Scheme has definitely benefited the tourism industry and other sectors of Hong Kong. However, recently, the Government has been making active efforts to consult the public on the introduction of a sales tax and it has also commenced the relevant studies. It is not just consulting the people and conducting studies. It is even trying to market and hard-sell the whole thing. Is this consistent with the Chief Executive's talks about sustaining economic development? Members can see a

complete departure from his advocacy here. How can he advocate one thing on the one hand and do something else on the other? One can only say that this is simply another conspiracy. The reason is that before the election in March next year, someone will come forth and say, "We are prepared to listen to public opinions. We respect public opinions. Since the people do not think that the introduction of a sales tax is consistent with the overall interest of society, we will take the advice of the public and abort the consultation exercise." When this happens, there will be a "hero" and a "villain". Members can just wait and see who will be the "hero" and who will be the "villain". But I must add that a responsible government and a responsible Chief Executive must be consistent and true to their words.

The second challenge mentioned by our Chief Executive is how to further the development of a democratic political system. Totally seven paragraphs in the policy address, namely, paragraphs 11, 12, 13, 71, 72, 73 and 74, mention the topic of constitutional development. Paragraph 73 reads, "As the incumbent Chief Executive, I will continue to lead and take forward the work of the Commission on Strategic Development in a positive and responsible manner throughout the remainder of my term.". I have repeatedly criticized, and I dare say, that it is wrong for the Chief Executive to sell and market the Commission on Strategic Development with such a mentality and attitude. The direction he has been following is simply wrong. Why? The power of making any decision on constitutional development is vested with the Legislative Council. Why should it be handed over to the Commission on Strategic Development? Once again, he is trying to mislead the people, taking inappropriate actions and steps. What he says and what he does are entirely different. He should have the courage to come to the Legislative Council and help the 60 Members — it should be 59 Members only because the President has indicated that she will not cast any vote He should also make a commitment on a timetable. He should talk with the 59 Members face to face. Of course, 33 Members are already "hamstrung", but he should not discriminate against them. Secretary, you must face the reality and offer an explanation.

Although the Basic Law provides that the *status quo* of Hong Kong shall remain unchanged for 50 years and universal suffrage for the two major elections shall be implemented as soon as possible, it is never the wish of all Hong Kong people to see the introduction of universal suffrage as late as 50 years later. Since the Basic Law provides that all power of reform is vested with the

Legislative Council, why should such a power be handed over to the Commission on Strategic Development? This is simply a waste of energy — though not to the extent of making us "sleepy" — a waste of taxpayers' money. Therefore, it does not matter even if there are political differences. Misunderstanding is not a matter of any significance either. The most important thing is for us to follow the right path. It is especially important that the Chief Executive, the leader, must realize which path is the correct one. He has been taking inappropriate actions and saying inappropriate things. Does he think that it is still possible to mislead Hong Kong people? This is no longer possible. I hope the Chief Executive will understand the situation and follow the correct path. Honestly speaking, I do not totally agree with Members of the pan-democratic camp, that there must a roadmap and a timetable. But we must at least discuss the whole issue thoroughly. We must also respect Members who support the Government, or Members who are forced to back up the Government. This is the only appropriate action to take. I dare say that as long as the Chief Executive adopts such an attitude, there will be no universal suffrage for the two major elections in 2020, not to mention 2012. This is my opinion, and I am prepared to assume responsibility for my opinion.

Madam President, the third challenge mentioned by the Chief Executive is how to build a harmonious society. In this connection, the Chief Executive has been contradicting himself. Why? If we are to build a harmonious society, we must cater for the needs of different social strata, especially the less financially-able grassroots. We must offer them assistance, so as to give them more confidence in building their own homes. We know that in the 1950s, Hong Kong was much poorer than it is, but everybody managed to make it somehow. There are many more opportunities now and China's policy of opening has given us enormous business opportunities. Why is it impossible for people to make it now? The point is that it will not be very difficult to foster harmony if the Government can render assistance to all these people. But the Chief Executive has been saying one thing but doing quite another. Why do I say so? The simplest example is his affinity theory. How can there be any harmony in that case? The Chief Executive has every right to do so and one must admit that politics are just like this. But I must add that while he may pursue such a theory in practice, he must never admit doing so. However, the Chief Executive has done exactly the latter. He will surely fly into a rage at hearing my criticism, saying that I have criticized him once again. But my criticism is based on what he has actually written down and said. And, I must emphasize that, as a Member, I have the duty and obligation to point out the truth.

Let me emphasize once again that when this policy address was being prepared, someone from the Chief Executive's Office rang me up, saying that the Chief Executive wanted to see me. I asked the man how many people had been invited. He replied that there were several people. I then said "sorry" to him, telling him that I would be interested only if I could meet the Chief Executive on a one-to-one basis. The point is that the Chief Executive always makes mistakes. If I see him on a one-to-one basis, he may only frown at the criticisms he does not like. But if there are many people, he will certainly become very angry. Why am I obligated to help him do a better job? Because I must be accountable to my constituents and some Hong Kong people. Why am I not talking about all Hong Kong people? Because many people do not buy my political views. Therefore, although many Members have already discussed the three challenges mentioned by the Chief Executive, I think I must still put forward my views.

I also wish to talk about the Civil Service today. Personally, I do not think that the Civil Service is exactly like what is described in paragraph 8 of the Chinese version of the policy address. In paragraph 8, it is said that the Hong Kong Civil Service is "廉潔高效、紀律嚴明，的確是屬於世界上最優秀的" ("the Hong Kong Civil Service is amongst the finest you will find: corruption-free, efficient and well-disciplined"). I think two more words, that is, "之一", should be added to the Chinese version. He should not say that our Civil Service is the finest in the world. He can only say that it is amongst the finest in the world. Therefore, I hope the Secretary can tell his subordinates that they should not be led by the Chief Executive's remark to ever think that they are really the finest, albeit their salaries are almost amongst the highest in the world.

Madam President, I will not deny that the Hong Kong Civil Service has been doing very well in many ways. But civil servants should still do better on this basis. And, they must also be more accountable. At present, many top-ranking officials must take questions from Members, must make preparations and must also speak in radio programmes, so they do feel very great pressure. But this is the political climate and their jobs require them to face all this boldly. They must not be influenced by the past mentality of mainland people, thinking that they will get the same pay whether they work or not. They must not think that they will still get \$200,000 a month whether they work or not. They simply should not hold such a mentality. I hope that they can be braver and fully discharge their responsibilities during their terms of office instead of always talking about the remaining "eight-month term".

I also think that the top echelons of the Civil Service should exercise greater self-discipline. The period of sanitization should be lengthened to five years. Why? People have in fact expressed a lot of grievances about those top-level civil servants who hasten to join private organizations to make "big money" or "quick money" immediately upon their retirement from civil service posts. But top-level civil servants have not heeded their grievances. I propose that if any of these officials really want to make "big money", they should stop receiving their pension payments for five years. This is more reasonable because they simply should not receive other additional benefits after retirement. Why? It is because their decision of serving the public is indeed most noble. All of us should respect their decision. But if these officials think too much of their personal benefits, they will only become another kind of businessmen. Businessmen do make profits, but they are after all regarded as very materialistic. I therefore very much hope that civil servants can review their system and thus command greater public support. I hope that after hearing my advice, the Chief Executive will not classify me as one of his adversaries. My comments are all founded on facts.

Madam President, I reserve some time for speaking on other policy areas.

MR MARTIN LEE (in Cantonese): Madam President, in the last part of paragraph 68 concerning positive non-intervention in the policy address, we are told to stop "prolonging philosophical debates over abstract slogans or terminology". But I think the title of the policy address is precisely an abstract slogan. "Proactive Pragmatic Always People First" What exactly is it trying to say?

We all know that those who often use such slogans to give a gist of their policy objectives are precisely our leaders of the Central Government. Former Chief Executive TUNG Chee-hwa and the incumbent Donald TSANG both like to borrow slogans of our leaders for use in the Hong Kong Special Administrative Region (SAR). For instance, State President HU Jintao proposed the "people-oriented" principle when he first took office. Apart from TUNG Chee-hwa who stated in the 2004 policy address that this principle would be consistently taken forward, Chief Executive Donald TSANG has even used "Always People First" as the title of this policy address.

Besides, another popular slogan in this policy address is "social harmony" or "harmonious community", which is also borrowed from the Central Authorities. "Social harmony" is what President HU Jintao has often talked about recently, and a major agenda item at the closing meeting of the Sixth Plenary Session of the 16th Central Committee of the Communist Party of China was building up a harmonious society. Sources also said that "social harmony" will be adopted as a principle of governance by the fourth generation of state leaders of our country, and that "social harmony" may also be enshrined in the Constitution of the Communist Party of China.

In fact, what good will these slogans do to the people? Let us not talk about the country and just look at the situation of Hong Kong first. Chief Executive Donald TSANG stressed "Always People First" and "social harmony", but we do not see that he has translated his words into actions. Hong Kong people have strong aspirations for democracy. This is proven in all opinion polls, but there is no substantive response in the policy address. As regards the general opposition in the community against the introduction of the sales tax, he appeared to be oblivious of it and has insisted on its implementation. How could this attitude of governance be "always people first"? How could this be building a "harmonious community"?

In fact, we know that in a democratic country, the leaders or the government will not use "always people first" or "building a harmonious community" as their philosophy of governance, because under a democratic system underpinned by the rule of law, the best safeguards are already in place to protect these principles. On the contrary, only those leaders who do not have the people's mandate will need to use the slogan of "always people first" to package their dictatorship. What they mean by "always people first" is this: I will give the people what I think they need and what I think to be the best for them, having no regard to the wish of the people. For instance, I think the sales tax is good for Hong Kong and so, I will take it forward. To build up a harmonious community under a dictatorial rule is in effect telling the dissidents to "shut up", or else they would ruin social harmony. So, Madam President, vowing "Always People First" without the people's mandate is downright a lie; social harmony without a democratic system is precisely an "abstract slogan or terminology".

Now, I would like to talk about the other two words in the title of the policy address: "Proactive" and "Pragmatic". Recently, Chief Executive

Donald TSANG delivered a speech in The Chinese University of Hong Kong. A carefully written script was prepared for his speech titled "Pragmatic Leadership". In fact, if we had listened to this speech, we should have known that pragmatism would be one of his policies. It now turns out that we have guessed it right. While Chief Executive Donald TSANG consistently stressed the importance of pragmatism, pointing out how impractical it is to just talk about beliefs, he nevertheless reminded the young people to pursue their ideals and dreams, and not to put too much stress on practical benefits. The contradiction is, indeed, puzzling to me. Could he mean that young people who are pursuing studies should go for their dreams, but when they work in society, they have to put aside their ideals and face the reality? If our next generation of Hong Kong really heed his advice, how could we hope that they would become the pillar of society in the future?

In his speech the Chief Executive said, "I believe aspiring politicians must be people who hold onto virtues and values like justice, equality, freedom and democracy..... But this also presents the risk of being shackled by ideology. Politicians with no values or beliefs will become politicians who pursue only self-interest but maintain no principles, while those who place unyielding emphasis on political belief will become inflexible, closed-minded and will be eventually displaced by time.....".

The Chief Executive was actually saying this: I, Donald TSANG, do support democracy, and I very much agree that democracy can change society. But the political reality is that the political development of the SAR is subject to the decisions of Beijing and so, Hong Kong people must accept a gradual progress of democratization. As for dual elections by universal suffrage in 2007 and 2008, this is only propaganda of "ideology" by those democrats who "place unyielding emphasis on political belief" in a bid to win public support without "rational policy analysis", and this shows that they are indeed "inflexible" and "close-minded" in their beliefs. This is a criticism of us the democrats. However, I think Chief Executive Donald TSANG does not in the least understand what democracy is all about. Democracy is not a "belief" or "ideology" of us democrats. Democracy is a basic, inborn civil right of all of us. Each and every citizen should have the right to take part in elections and be elected, and to elect their own leaders through his vote. So, intervention of any degree or any form amounts to exploitation.

Insofar as this speech by the Chief Executive is concerned, instead of titling it "pragmatic leadership", it had better be renamed "A wise man trims his

sail to the wind" which, I think, is more appropriate. Speaking at length on the cruelty of the political reality to a group of students who have many aspirations, or who should have many aspirations as suggested by the Chief Executive, the Chief Executive was, in the final analysis, trying to brainwash them, making our next generation accept the "reality", that is, the reality of not having democracy, and join him to "trim the sail to the wind" and yield to the manipulation of Beijing.

I hope that young people in Hong Kong will bear in mind that they must have lofty or even unattainably high dreams in order for Hong Kong to have hopes. Tell me, which is more appropriate: "One who trims his sail to the wind is a wise man" or "One who trims the sail to the wind becomes a Knight"?

Madam President, a number of Members also spoke on positive non-intervention. In fact, many international and local economists in the academia believe that this economic policy of "positive non-intervention" is the cornerstone of the success of Hong Kong. However, Chief Executive Donald TSANG suddenly said in a high profile at the Economic Summit on China's 11th Five-Year Plan and Development of Hong Kong on 11 September that positive non-intervention, a policy enunciated by a former Financial Secretary, Mr Philip HADDON-CAVE, a long time ago, has never been proclaimed as the blueprint of our economic development, while reiterating that the SAR Government is currently upholding "big market, small government".

Chief Executive Donald TSANG said casually that "positive non-intervention" did not exist anymore, but his remarks aroused much reverberation. Even the internationally famous Nobel Laureate in Economics, Milton FRIEDMAN, wrote an article to respond to him. Although Chief Executive Donald TSANG repeatedly explained that it was only a refinement of terminology and that Hong Kong has not changed its position in upholding free market economy, his explanation is indeed far-fetched and unconvincing. Worse still, the more he said, the more suspicions aroused; and people are even more inclined to think that some secrets must be hidden behind his high-profile statement that "positive non-intervention" is replaced by "big market, small government". In fact, that Chief Executive Donald TSANG chose to make these remarks at the economic summit organized by the Government on its own initiative to support the country's "11th Five-Year Plan" has already given us some clues.

The "11th Five-Year Plan" was endorsed in March this year. It is the 11th five-year plan formulated by the Central Authorities on the economic and social development of the country as a whole. The Chief Executive also openly stated the importance that he attached to the "11th Five-Year Plan", and in paragraph 15 of his policy address, he expressed strong recognition of the role assigned to Hong Kong as a centre of financial services, trade and shipping. Obviously, the SAR has gladly accepted the "11th Five-Year Plan", and it also took the opportunity to declare that "positive non-intervention" was already replaced by "big market, small government". It even shows that the SAR Government can have every reason to provide support to planning made by the Central Authorities to intervene with the "big market" in the future in the name of "small government".

Although Chief Executive Donald TSANG described the plan mapped out for Hong Kong as laid down in the "11th Five-Year Plan" as a normal course of development, it should be noted that Hong Kong was not incorporated into the country's "10th Five-Year Plan" five years ago even though Hong Kong had already reunited with the Motherland then. Then why has this "Five Year Plan" of the Central Authorities suddenly become closely related to the SAR?

We can note from various signs that our Chief Executive Donald TSANG has already willingly surrendered to the Central Authorities the right to determine the direction of economic development of the SAR, prepared to listen to their instructions. Certainly, some people may ask: What is wrong with this? It is because in the "11th Five-Year Plan", the three major directions of development of the SAR are exactly the directions that we are following. Coupled with the our country's promising prospects of economic development, and with the Central Authorities leading and guiding us in the way forward, the SAR should be able to gain more developments and benefits. However, Madam President, the problem is: If, in the next "Five Year Plan", that is, the "12th Five-Year Plan", it is considered that Shanghai, after all the adjustments, has become very obedient and it is explicitly stated that only Shanghai will be a centre of financial services of the country, and if Hong Kong is told to hand over its role and step down to become a tourism centre instead, then, as we are already incorporated into the country's planning, we would lose the protection of "one country, two systems" and as a result, we could only do what the Central Authorities tell us to and we would never be able to get away. Madam President, many people in Hong Kong still have not noticed that the "11th Five-Year Plan" and "positive non-intervention" are related. If we look at them

together, we will see that to our Chief Executive, "one country, two systems" does not exist anymore, because the future of Hong Kong and its direction of development will be dictated by Beijing.

Moreover, Madam President, we all know only too well the problem of planned economy, and if we review past incidents of government intervention in the market, we often do not see a good ending in most cases. The Cyberport and the Disneyland are the best examples of government investment fiasco. Why is it that there are still people blindly believing that manual manipulation by the Central Authorities or the SAR Government is better than adjustments effected by the market mechanism automatically?

In the final analysis, the "big market, small government" and the "11th Five-Year Plan" are, in fact, pretexts used as a cloak for the Central Authorities' intervention with the SAR. In other words, behind "big market, small government" there is the "giant Central Authorities", and the "giant Central Authorities" are manipulating the "small government" from behind the scene, in order to intervene in the "big market". To put it more simply, when the Chief Executive announced the death of "positive non-intervention", Hong Kong officially entered the era of "being positively intervened", that is, we have changed from "positive non-intervention" to "positive pro-intervention", which is happening now.

Madam President, in fact, this incident is very important to Hong Kong at large. Because the Joint Declaration has provided for "one country, two systems", "Hong Kong people ruling Hong Kong" and "a high degree of autonomy". We have thought that apart from defence and diplomatic affairs, Hong Kong is the master of its own house and we can make decisions for ourselves. But when drafting the Basic Law, I heard mainland members of the drafting committee say that this was not the case and that it only meant a difference in the economic systems because socialism is practised in the Mainland, as compared to capitalism in Hong Kong. They said that this was the only difference under "one country, two systems".

I certainly do not agree to such a low baseline. But judging from what is happening now, we will even lose this very low baseline, because even our own economic development will be subject to the decision of the Central Authorities. Why was there no consultation whatsoever on such a major policy change and why was it not mentioned at all? I found this puzzling at first. I remember

that in May this year when the Chief Executive attended a Question and Answer Session in this Chamber, he already mentioned the "11th Five-Year Plan" in his opening address, adding that the development of Hong Kong must be in line with the "11th Five-Year Plan". It really was puzzling to me at the time, and the more I thought about it, the more afraid I was. Now, I can see it more and more clearly, and I have come to realize that our Chief Executive is entirely a puppet, for he only lets Beijing set the direction of economic development for us to follow. That is, the "Big ZENG" who, of course, means our Vice President ZENG Qinghong, makes all the policy decisions, whereas the "Small TSANG", namely, Donald TSANG, merely enforces them in Hong Kong.

Now, Madam President, I would like to respond to what Mrs Selina CHOW has said, because her remarks were very attractive. She mentioned that the relationship between the Liberal Party and the Government is one of soul mates. How romantic! This is obviously very romantic — soul mates. Regrettably, she fails to understand that the Government does not want the soul of the Liberal Party. All it wants is the votes of the Liberal Party. So, there is no prior consultation and yet, the Government does not let them go away and makes them vote for it.

Mrs Selina CHOW also mentioned that it had become more and more difficult to reach a consensus after the introduction of elections. This is not true actually. She has this impression only because she is forgetful. After the introduction of democratic elections — in fact, there have been direct elections since 1991 — there was the general aspiration for universal suffrage to be implemented for the dual elections in 1997 and 1998. At that time, I was the Chairman of the Democratic Party, and on numerous public occasions when I attended interviews or engaged in debates with Chairman Jasper TSANG of the then Democratic Alliance for Betterment of Hong Kong and Chairman of the Liberal Party, James TIEN, we reached a consensus that universal suffrage be implemented for the dual elections in 2007 and 2008, and this required no further consideration. There was, indeed, this consensus in the community, only that the Standing Committee of the National People's Congress interpreted the Basic Law on 6 April 2004 and later made a decision on the 26th which smashed our consensus into pieces.

Therefore, the problem is not that it is difficult to reach a consensus in Hong Kong. There was consensus in Hong Kong. What happens now is that our consensus has been smashed by the Central Government. If we still wish to

reach a consensus in Hong Kong, which is certainly very difficult now, it cannot be reached unless the Central Government openly states that it will cease its intervention and truly leave things to our own discussion. So long as there is no such message from the Central Authorities, how could we believe that the Commission on Strategic Development will achieve any results?

Frankly speaking, with regard to the suggestion that universal suffrage may be considered for the Chief Executive election in 2012, we all know what the precondition is and that is, all candidates contesting the election must be approved by the Central Authorities. That is, disregarding what organizations will form the nomination committee, candidates disliked by the Central Authorities will be screened out despite their nomination. Like recent press reports describing the education voucher system for kindergartens as "Grade A counterfeit", this is precisely "Grade A counterfeit" of democratic election.

Madam President, this is all I wish to say for the time being.

MR ALAN LEONG (in Cantonese): Madam President, I was somewhat saddened by Mrs Selina CHOW's remarks just now. I very much agree with her that there is actually an imbalance in Hong Kong that causes confrontation in many cases. But has it ever occurred to us why there is such an imbalance in Hong Kong? For instance, with respect to the running of Hong Kong, why is there such an imbalance between the Central Government's view and the aspiration of Hong Kong people? Why is there such an imbalance between the dictate of the Chief Executive and a public administration system in keeping with the principles of transparency and openness? There also seems to be an imbalance between large enterprises and the common masses. Why is there also an imbalance between the rich and the poor? Actually, all this was the cause of my tinge of sadness. I agree with Mrs Selina CHOW that we must not think that we are always right, as if there was really a halo above our heads. I also agree with her that we must not think that we are the truth and the opposite side must be the wrong. However, how should we restore a balance? Or, who should actually restore this balance in Hong Kong?

At a Chief Executive's Question and Answer Session, the Chief Executive criticized Members belonging to the opposition camp, saying that they were conceited, that they did not want to listen to the Chief Executive and principal officials, and that they all thought that they were right on all issues. How could he say something like that? Is he actually a pot calling the kettle black?

Has it ever occurred to him that the same mindset perhaps also prevails in the corridors of Government House, with the result that despite the many imbalances in Hong Kong, we have still failed to restore a balance through a non-confrontational means?

Madam President, putting aside all arguments and assuming that the opposition is really entirely wrong, I must still say that the Chief Executive must play the role of a mediator, in the hope that all sides can put aside their prejudices and restore the balance. This is the only right thing he should do. Whatever the case may be, if the Chief Executive fails to do so, if he fails to play this role, he must be in the wrong. I really hope that the sort of balance mentioned by Mrs Selina CHOW can be restored in Hong Kong as soon as possible. I also hope that this kind of polarization and confrontation can be replaced as soon as possible by rational and fair debates.

Madam President, in her speech, Mrs Selina CHOW also mentioned that this policy address was the shortest one she had ever seen in her political career. She thought that the short length of the policy address could be justified by the fact that there were only eight months in the Chief Executive's remaining term of office. Mrs CHOW even pointed out that since the Civic Party also wanted to run in the Chief Executive Election, it should be delighted at seeing this. She explained that had the Chief Executive put forward a policy blueprint at such an early time, the Civic Party would certainly have been outdone. She seemed to suggest that we should even be grateful.

Actually, the whole electoral system is designed to rule out competition rather than encouraging it, but we hope to see the emergence of competition as soon as possible. And this explains precisely why the democratic camp intends to run in the election. For this reason, please allow a novice like me to put forward an alternative viewpoint. I think the democratic camp very much hopes that the Chief Executive can expeditiously handle all the pressing issues that require the formulation of relevant public policies, such as education, social welfare, health care and environmental protection. We hold no fear of competition because we believe that when there is competition in the formulation of public policies, people will have options and progress will only be possible with competition. We yearn for debates — the sooner, the better.

Madam President, if we look at the democratic countries and places in the whole world, we will see that in anticipation of general elections, those in power will not usually propose any policy directions which ignore the long term and concentrate only on the immediate future. What is more, no one will ever say that major issues which have been debated in society for a long time and remain unresolved should be left to the next government. The reason for this is not hard to understand, Madam President. The ruling party must demonstrate how much it understands the people's concerns and its wish to solve problems by advocating and implementing its political platform. And, it must also portray its long-term direction of social development in individual policy areas, in the hope that the vision can persuade the people to support it and give it the mandate.

In contrast, at a time when a general election is approaching, the Chief Executive of the Hong Kong Special Administrative Region has simply raised three questions without suggesting any answers. If Hong Kong was a democratic society, the one in power would never have handed in a blank answer sheet. The reason is that when the people give the mandate to a government, they will require that particular government to provide solutions to their problems. Through the ballot box, the people will certainly ask any government that cannot solve their problems to step down. Unfortunately, because of the reality that the people's mandate is not required for our government, we have this policy address which runs counter to all common sense.

Madam President, the policy address has fully highlighted the fact that a political system with no competition and democratic elements will prevent the emergence of policy debates that offer visions and tie in with the long-term development of Hong Kong. This is a hard fact. For this reason, we cannot expect the policy address, which is just a product of the current system, to offer any effective and ultimate solutions to the very defects of the system itself. If we could expect the policy address to do so, political debates on quality governance would not have been turned into the second of the three challenges and the Government would not have asserted that there is no alternative and it can do nothing else except leaving the issue to the Commission on Strategic Development for continued arguments.

Madam President, the policy address puts forward the view that there must be political talents before we can embark on the democratization of our political system. One possibility suggested is the creation of the posts of Deputy Bureau

Directors and political assistants, so as to enlarge the corps of officials on political appointment. The Government's design largely reflects that those in power are not yet able to realize the actual causes of the governance problems in Hong Kong. The main reason for the difficulties encountered by the SAR Government in administration is not so much about any shortage of accountability officials. Rather, the reason is that accountability officials are unable to grasp public opinions.

Madam President, under our closed political system, policies are not discussed adequately by stakeholders. For this reason, government officials will invariably be wary in the course of policy enforcement, for they fear that they may offend the public will and face political repercussions. If the political system continues to be closed, any increase in the number of accountability officials will only lead to the emergence of more wary and fearful government officials. Political parties and the business sector will not have any interest in joining a team which is the target of criticisms, and which must grope in the dark in the course of its work. In the end, the Chief Executive can only take on civil servants who share his views. Will this lead to the formation of a "civil servants' party"? Will this even cause an indirect impact on the traditional political neutrality of civil servants? In that case, if a Chief Executive does not come from the Civil Service, he will not know where he can locate officials to support him. We must consider this problem very carefully.

The policy address has not put forward a blueprint on quality governance. Constitutional development is reduced to one of the three questions with no answers. The Government's approach has only concealed many more crises that may damage quality governance. Hong Kong has already wasted 10 years due to the imbalance in governance. The policy address still wants Hong Kong people to waste one more year and wait for the findings of the Commission on Strategic Development. The policy address simply fails to provide Hong Kong society with any leadership in the course of finding a consensus on good governance. Perhaps, Hong Kong must not rely on the Government anymore. It must find a way out itself.

Madam President, I so submit.

MR LAU KONG-WAH (in Cantonese): President, after the publication of this year's policy address, Members of the Democratic Alliance for the Betterment

and Progress of Hong Kong (DAB) discussed how a fair and impartial evaluation could be made of this policy address. We described this policy address as pragmatic and beneficial to the people but lacking proactiveness. After looking up the many comments from the public and opinions expressed in public opinion forums, we found that basically, they also hold this view. After the delivery of the policy address by the Chief Executive, normally, we will certainly pay visits to the districts to listen to the views of the residents. There are in general two voices. One asked why they were left out. That is, after reading the policy address, they found that they had been left out from it, especially people who are neither car owners nor parents. They think that they have been short-changed. Another voice is heard mostly from those in the middle class. They told us that they had scrimped and saved, in order to send their children to famous kindergartens but they had been left out from this policy address. That is, they already cannot benefit from all the other types of welfare, and they are even excluded from the education voucher system proposed in this policy address. They do have some grievances. So, I hope that the responsible officials can see this point.

President, I agree that there are certain constraints in writing this policy address and sometimes, the writer may be caught in a dilemma. If he talks about plans in the very distant future, he may be criticized as engaging in "grand, big and empty talk"; if he talks about policies that can be realized in the near future, he may be criticized as dishing out petty favours without vision. So, he is caught between the devil and the deep blue sea. According to conventional wisdom, it is certainly the best to be both pragmatic and idealistic, and to map out both long-term and short-term plans. That is the most typical conventional wisdom.

But in all fairness, I think this policy address has at least responded to three rather important and pressing issues. Firstly, the environmental issue. I think this is an issue of concern to all the people in the entire region. The Chief Executive responded to a proposal put forward jointly by several political parties of providing financial incentives to encourage the replacement of some vehicles. We may not be able to see a clear sky every day, but we will walk on the same road every day, especially roads in Central, and we can all the more feel that roadside air quality is very bad. So, the replacement of certain vehicles will definitely be helpful to public health.

Secondly, education. I remember that a few months ago when the Chief Executive of Macao announced the provision of free education for 15 years in

Macao, many Hong Kong people considered this policy enviable. We in the DAB sent a deputation to Macao to discuss issues relating to this policy. After returning from this visit, we proposed to explore the possibility of providing two more years of subsidized education on top of the nine-year free education currently provided in the territory. At that time, we also conducted internal discussions on whether these two additional years should be provided at the tertiary or basic level. In fact, we subsequently proposed that they should be provided for early childhood education, for this can better respond to public aspirations.

Thirdly, minimum wage. This issue has been discussed for years and in this year's policy address, at least such words as "set out to prepare for" and "introduction of legislation" were used. So, I think these are important issues, but there are still inadequacies.

On the environmental issue, if all that will be done is to replace some vehicles, that would be far from adequate. In the entire policy address, we do not see that the Chief Executive has included collaboration between Hong Kong and the Mainland, but there is a rather major source of pollution over there. Could it be that there is no co-operation between us? Could it be that the Mainland has undergone no changes? Could it be that Hong Kong is completely at the end of its wits in the face of the emission problems of the two power companies? I think the Government must give the public a future that they are able to see. But it seems that there is little mention of this point in the policy address.

On early childhood education, I think the policy address is inadequate in that it cannot benefit all parents. Some parents can enjoy the benefit, but some cannot, and this is where the key lies. We have heard the Secretary debate with many kindergarten operators. But after all the debates, I think the Government must eventually look at it from the angle of parents (or users). If there is really no other choice for them, they may feel disappointed to some extent.

On the issue of minimum wage, I personally think that if it is only said that a review would be conducted two years later, it would indeed make people ask these questions: In what way will the review be conducted? What standards will be adopted? Is there a consensus? What actions will be taken after the review? Even though the Government said that preparation would be made, how many years would the preparation take? All these questions are completely left out from the policy address and so, I think this is inadequate. Overall

speaking, I think these several issues are practical issues, but when it comes to actual implementation, the proposals are not down-to-earth; nor are they comprehensive, and we do not see a clear way forward.

President, I now wish to discuss the three major challenges mentioned by the Chief Executive. They are actually very important. He pointed out the three challenges that we face, namely, social, economic and political challenges. It has been 10 years after the reunification. Looking back on the past decade and looking ahead to the next, I think the direction of social, economic and political development should not rest with the decision of the Chief Executive alone. Rather, the whole community should be allowed to take part in it. I always hold that Hong Kong belongs not just to one person; it belongs to all Hong Kong people. So, since these challenges have been brought up for discussion, it is necessary for us to respond to them.

In paragraph 75 of his policy address the Chief Executive mentioned the social challenges. In paragraph 75, it says, "At a time when the wealth gap in society keeps widening and social mobility begins to stall, we need to look for ways to resolve conflicts and promote social harmony." He specifically focused on the wealth gap. He also highlighted a group of people earning high income and the hardships of low-skilled workers. However, I think he failed to mention or ignored one point and that is, there are actually two groups of people in the community who are suffering quite badly from poverty. I think these two groups of people cannot be ignored in the implementation of policies in the future.

The first group of people is those with a stable income. They may be the middle class who are not eligible for public housing. Many people in this group told us that they cannot apply for public housing and are, therefore, forced to rent their flats — renting a flat is actually very expensive — and they may also be forced to take out mortgage loans and hence have to bear a very heavy burden in servicing them. This group of people does not have much savings either. The results of triggering under the Application List System released yesterday provided an indicator, showing that property price may reach \$6,000 per sq ft anytime. Certainly, some people will feel very happy about it, but some will find this worrying and feel helpless about it.

Today, the editorial of *Ming Pao* put forward a theory called "diamond-studded toothpicks", which I did not quite understand at first. This is, in fact, a very "witty" description. It means that plain toothpicks would have

sufficed for some residential flats, but they are studded with diamond now. This is the case with many buildings as their price can cost as high as \$6,000 to \$7,000 per sq ft, and this is what it means. In fact, what many of these people from the middle class want is practical toothpicks; what they want is practical, non-extravagant flats. So, under the present circumstances, I think the Government must really consider whether there is a need to resume construction of Home Ownership Scheme (HOS) flats. To these people, they do not have the means to purchase private property and they are not eligible for public rental housing. What can they do? They have no savings; they are marginalized and impoverished — even the middle class is impoverished. This is what happens now. I think the Government cannot ignore them.

The second group of people is those who are eligible for Comprehensive Social Security Assistance (CSSA) but refused to draw it. During our visits to districts, the issue raised by most people is CSSA. Many people in the lower class and the grassroots are eligible for CSSA, but they prefer to work as cleaning workers or security guards for a monthly income of \$3,000 to \$4,000. They told us that they did not wish to draw CSSA and that they wished to toil through the adversities. From our observations, if legislation is not introduced in the long term, it is impossible for this group of people to earn an income higher than that at the lowest end. So, I think these people who are eligible for CSSA but refuse to draw it are most respectable. But are we going to be entirely callous and unsympathetic to them?

Certainly, when it comes to the issue of minimum wage, is it that the Government has done nothing at all? The answer is "no". I remember that the Government was the first to include in government contracts stipulations similar to providing a minimum wage and require contractors of outsourced government projects to provide the same. Now, the Government has moved one step further by proposing a movement, followed by legislation as the next step. The Government has been working step by step, and we can see these actions taken by the Government. I think we are actually drawing closer and closer to each other in our discussion. But recently, insofar as this issue is concerned, there seem to be some differences in our views and this, I think, is regrettable.

After the delivery of the policy address, the Chief Executive once talked to many young people in a forum held by the Hong Kong Federation of Youth Groups. He said that if the movement for the protection of minimum wage would really become unsuccessful, he said that legislation would be introduced immediately, and I thought: Why was this not written in the policy address?

Had this been written down in the policy address, the differences in opinion would have been narrowed. I thought at the time that if a review of this movement could be conducted earlier, perhaps the differences in opinion could also be narrowed. So, I am very glad to see that a number of friends from the Hong Kong Federation of Trade Unions received a letter yesterday notifying them that the Government would conduct an interim review. If the Government can further give effect to what Chief Executive Donald TSANG had said at that discussion forum with the young people about immediately proceeding to enact legislation if the movement was proved futile, then I think we would all consider it acceptable. Miss CHAN Yuen-han is not in the Chamber, but I think she has worked very hard for this cause, and she has been taking this matter very seriously too. After all, a minimum wage has been promoted for a very long time and some results are now tangible. Today, some colleagues hurled criticisms at Miss CHAN Yuen-han, and I think this is unfair because in our view, there must be mutual understanding and accommodation as well as mutual co-operation between employers and employees. It is impossible for one side to win all and the other side to lose all. From the admission of textile workers to this issue of minimum wage before us now, we can see that both sides have been trying to seek a consensus very sincerely. This I very much cherish.

President, the two groups of people that I have just mentioned form the majority of the community. If the Government does not have new policies to respond to their plights caused by poverty but insists on introducing the new sales tax, problems are set to arise. They said that their situation is already very miserable, and what would become of them if they are even made to pay a new tax? So, it is unwise to introduce a sales tax at this point in time. Now, the Government is still going to conduct consultation, questioning why not everyone is paying tax and saying that everyone should be paying tax. Such discussion is indeed too provocative to them. Therefore, I think the introduction of sales tax is a departure from public wish and sentiments.

President, I also wish to point out that the social stability in Hong Kong over the years is indeed attributed to four major pillars: public housing, medical and health care services, education and social welfare. But recently, I can sense some degree of instability, which may not be beneficial to the community of Hong Kong. Without the HOS flats, members of the public feel very much distressed. In respect of medical and health care services, if a member of the public does not have tens of thousand dollars or hundreds of thousand dollars to foot the bill of a surgery, he can hardly be admitted to hospital; in respect of

education, many university graduates go bankrupt right upon graduation..... sorry, President, he was trying to thank me from behind but he disturbed me. In respect of social welfare, the support for family has shrunk. So, I think in future administration, it is essential to pay attention to these four major pillars and we must not allow them to be rocked.

President, Prof YUNIS from Bangladesh who provides micro credit has won the Nobel Peace Prize recently. A famous remark of his is that he hopes poverty can be found only in museums. I think his spirit is admirable. When the prize winner was announced, everyone had one question and that is: Why is the prize not awarded to a political leader? This prize had all along been awarded to political leaders in the past. Why is it now given to him? What message does it actually bring to us? I think improvement of the people's lot is now the biggest item on the agenda of politics. With regard to the social problems that I have just mentioned, I very much hope that improvement of the people's livelihood and economic development will become the first and foremost political tasks of the next Chief Executive.

President, the second challenge is the challenge of economic development. In paragraph 70 the Chief Executive said, "Currently, Hong Kong's development is hampered by insufficient investment and the slow pace of public investment" and stressed the need to enhance communication with the business community, the Councils and environmental groups. He sounded as if this Council is an obstacle. I will talk about whether insufficient investment is the most significant later on. But President, this Council, including the Public Works Subcommittee which held a meeting just this morning, hopes that public projects can be carried out more expeditiously. For example, some projects in New Territories East still have not commenced after much delay. The sewerage works are an example too. Other examples are some "life-saving" access roads in Kau Lung Hang, the civic centres in Tai Po and North District, and so on. Although we have said a lot, the Chief Executive seems to be unaware of the situation, and mutual support has thus become impossible. If these district projects can commence earlier, they can lead to more investment.

With regard to infrastructure, there is indeed very little mention of it in the policy address. While the development of a cruise terminal was announced yesterday, what about the Hong Kong-Zhuhai-Macao Bridge? I had asked the Chief Executive a question in this connection in a Question and Answer Session and he said that he hoped that a decision to take forward this project could be

made during his term of office. At that time I asked if he meant this current term of office, and he replied "yes" — President, you may also recall this — which means next year. But why do we not see any mention of it in this policy address?

The Hong Kong-Zhuhai-Macao Bridge is indeed full of twists and turns. At first, they were very keen while we were not particularly enthusiastic about it; then we began to show keen interest while their interest had nonetheless waned. Then, there are controversies surrounding the "single Y" or "double Y" model. The latest development is that they are almost going to build a channel bridge-cum-railway from Shenzhen to Zhongshan. If that is really the case, what will be the cost-effectiveness of this Hong Kong-Zhuhai-Macao Bridge? This is open to question. The case of the border control point at Liantang is the same. It has been proposed and discussed for many years, and Chief Secretary Rafael HUI said recently in the Mainland that we were going to launch this project and yet, this still remains all talk but no action. From the Guangzhou-Shenzhen-Hong Kong Express Rail Link, we can see how slow Hong Kong is in its actions, but they have acted swiftly, and they have even developed a new control point, that is, the Shenzhen Control Point. From the transport infrastructure we can see the trend of Hong Kong being marginalized, and this is a fact. The co-location of immigration and customs clearance is even worse. We initially thought that this could proceed smoothly but after the proposal was submitted, even the NPC may have some opinions about it. I have an observation and that is: Does the Government lack some "experts on China" who are well-versed in the planning of economic development in China? If there is really a lack of such experts, I think this warrants some thinking by the SAR Government.

I remember very clearly that the DAB had organized a trainee placement programme for university students. Five years ago when it was organized for the first time, we went to a state enterprise. The General Manager provided some openings for employment training for our students. He told me something that I still remember very clearly. He said that the Mainland knows very well the situation of Hong Kong, but Hong Kong people knew very little about that of the Mainland. Is it also the case in the SAR Government? I do not have the answer, but this does warrant our concern.

President, the Chief Executive talked about insufficient investment. Some people said that their friends had once brought \$100 million to Hong Kong

and asked what investment would be the best. Perhaps there is no other answer than speculation in the stock and property markets. Now, the stock and property markets are booming. But President, we all feel that what is happening now has happened before, and that we should not only rely on these activities. Some people said that Hong Kong is, in fact, a mature economy and so, there is little room for further development and we can only wait for luck to come. But if we take an overview of many mature economies worldwide, we will see that they are always ahead of others in their development. When others are developing industries, they develop IT; when there is little room left for IT to further develop, they turn to work on creative or cultural industries. We have seen this happen in many places. But we can never catch up with them, because we lack a direction. So, what have we done to upgrade Hong Kong? We have never done anything to upgrade Hong Kong, as we are still talking about those industries, such as financial services, logistics, and so on, as if reciting Buddhist scripture. We have been saying these for many years. Our failure to inject new momentum into the economy is the biggest problem. Insufficient investment is, in fact, not the biggest problem. So, I think if the Mainland and Hong Kong can complement each other, it would be most desirable. The key lies in whether or not we will work for it proactively.

The DAB has compiled a number of reports, one of which was compiled in February this year. It mentioned industries of value creation — not creative industries, but value creation industries. In August, we also proposed co-operation with the Pan-Pearl River Delta. In this report we had, in fact, brought up the problem of marginalization, and these studies were conducted in collaboration with the Mainland. Sometimes, I do not know whether the Government would read in detail the reports submitted to it by the DAB, but I think that our reports are really very accurate and hit the nail on the head. I hope that the Government can study them more, and this will, to some extent, facilitate the development of the boundary area and the economy as well. Later, Mr WONG Ting-kwong of the DAB will express our views in more detail. So, it is not true that there is no room for development in Hong Kong. If the development of East Kowloon can commence early and the West Kowloon project will be given the green light in consultation with all sides, and coupled with the development of the boundary area, there would be no place in the world like the boundary area which would become a new engine that rides on the world economy. How should we develop this area, which cannot be found elsewhere in the world? This new rose garden is, in fact, entirely attainable.

Finally, President, I would like to talk about the third challenge — constitutional development. The Government proposed further political appointment. I asked two questions at the time: First, can there be division of responsibilities with the civil servants? Second, is it value for money? I think if the Secretary can have more communication with the Civil Service, the division of responsibilities should not be a big problem, and there will be a gearing-in process. As for the value-for-money factor, I think this can boost the political energy of the Government. It should be value for money not only to the Government. It should be value for money also to political parties and politicians. So, my view is that if this is really implemented, all political parties, irrespective of their closeness to the Government, and also any person who has the ability to engage in politics should have the opportunity to take part in it. I think the future political layout of Hong Kong should be executive-led with multi-sectoral participation. So, I think this arrangement should be handled with great care.

President, in relation to constitutional development, it is most regrettable that last year's constitutional package was voted down. However, this has taught us a good lesson and that is, if we wish to achieve something in one step, we would only remain stagnant; if we wish to make progress, it must be made in a gradual and orderly manner. I think this is a very good lesson. I have no intention to settle any old scores, for members of the public know this only too clearly. I think insofar as future constitutional development is concerned, it is necessary to bear in mind three points: First, I think the mainstream public opinion is calling for universal suffrage, but it also accepts gradual and orderly progress; second, I think the Government should provide a roadmap, because when the last package of proposals was put forward, we only saw the first step and we did not see the second step. So, this is an experience to us; third, I think any proposal must be truly discussed in the community. With regard to the last package of proposals, perhaps the public knew about it only after the Government had put it forward, but since there are a few years' time now, I very much hope that there will be thorough consultation and discussion on these proposals in the Legislative Council and in the community. Similar to the drafting of the Basic Law, there will not be any contention once a decision is taken. I very much hope that colleagues in this Council can sincerely communicate with each other and discuss it with each other. Hong Kong cannot afford further torment of contentions. I listened to the speech made by Mr LAU Chin-shek earlier. He used a very good analogy. He said that it is like a road with two driving lanes, and you are driving in one lane. While you think

that you are moving forward, you are actually not moving at all. He used this analogy to reflect the problem of various sectors of the community in Hong Kong. Similarly, this is also the case for Hong Kong. We are driving our vehicle and we see that the neighbouring regions and countries are all moving forward while we nevertheless remain stagnant. We are struggling in this dilemma, and we must break through it.

President, it has been 10 years after the reunification, and as we look ahead, apart from the specific challenges highlighted by Chief Executive Donald TSANG, I think there are two other challenges. No matter who those aspiring politicians contesting the Chief Executive Election will be — I do not know if it is you, Mr Ronny TONG, who will take part in it. He is smiling to me..... Is it Ms Margaret NG? They should respond to these challenges. Firstly, Hong Kong does not have a clear direction; secondly, public sentiments in Hong Kong are in low ebbs as uncertainties prevail in the community. So, even though the three challenges are addressed, if these two challenges remain unresolved, the public still may not be geared up. So, I very much hope that the next leader can give us a response. We often talk about effective governance. But President, what we consider necessary is effective leadership. There is some difference here. Governance may only focus on specific aspects, whereas leadership needs to take into account the overall situation; governance is a form of response, whereas leadership takes on a leading role; governance involves acts in the short term, whereas leadership encompasses a vision for development. So, I very much hope that there will be new, effective leadership for Hong Kong.

Thank you, President.

MR ABRAHAM SHEK: Madam President, this year's policy speech has been criticized as over pragmatic and not progressive enough. This recent policy address has caused another round of controversy which is expected, and it is the normal round of debate and discussion. Some criticized the speech for only focusing on local governance up to the remainder of the Chief Executive's term, without offering any foresight for our future or answer to public concerns. Though the policy address only covers three aspects, namely, the economy, family and the environment, the implementation of these initiatives does not aim at enhancing the Government's popularity and trustworthiness. It aims at addressing the problems which are closest to our hearts and which will bring

about a harmonious society. In the eight months ahead, I think this pragmatic policy address will be far more constructive than any empty promises or moves to bring about new rose gardens. In addition, the Chief Executive also raised other issues which need to be considered, examined and resolved. Thus, no matter who the next Chief Executive is, I believe Mr Donald TSANG has left some room for himself or his successor.

The issue of "effective governance" may have been minimally covered in the policy address, but the Administration does list out nine new initiatives and 41 ongoing initiatives in the policy agenda. Given the limited timeframe, it would be a big challenge to fulfil these tasks. Among these initiatives, the issue of greatest concern is the report on constitutional development which will be published by the Commission on Strategic Development (CSD). The issue of how to draw up the blueprint for future development of our political system in 2012 is likely to spark the most heated debate.

Constitutional development after 2012 depends solely on our strenuous efforts. Different political ideals, though good intentions, deter us from forging a pragmatic consensus working towards democratization. The present political stalemate is the result of last year's voting on the constitutional development package. There is no right or wrong in last year's voting result, but what Hong Kong has lost is a step forward towards democratization for the 2007 and 2008 elections.

As a member who has joined the CSD, I understand why some of my colleagues are against the CSD, particularly CHIM Pui-chung. They think the Administration should work together with the Legislative Council in the discussion on constitutional development. Moreover, it is a topic which should be explored and discussed by all political parties, not just the CSD. They also believe that members of the CSD are mere appointees controlled by the Chief Executive, and the CSD offers lip-service only. I think these criticisms were based on misconception. Indeed, the Legislative Council is the highest authority representing Hong Kong people and we have no doubt about its representation. However, in the constitutional reform discussion, we should adopt a more objective and open-minded approach in exchanging opinion. Calmer and peaceful dialogue will encourage intensive idea exchanges and unbiased evaluations. To be honest, the toughest part of the constitutional reform process is to gain two-thirds majority support in the Legislative Council.

Under the Basic Law's framework, there is no power which can override the Legislative Council. The CSD should be judged with an open and unbiased heart. Meanwhile, the Constitutional Affairs Bureau needs to maintain effective and constructive communication with different political parties and people concerned. Every Hong Kong citizen should have a say in our constitutional development. Therefore, it is everyone's right and responsibility to contribute. The Bureau should talk and listen to different institutions and people, whether it is the Legislative Council, the CSD or any other individual.

Since last year's policy address was announced, the Administration has proposed different measures to enhance work in districts. It released a consultation document titled "Review on the Role, Functions and Composition of District Councils" to collect public opinions, and formulated a series of measures to strengthen work in the districts. For example, a Steering Committee on District Administration will be established and a new remuneration package for District Council (DC) members will be implemented. In addition, a pilot scheme will begin from January 2007 to involve the DCs in the management of designated district facilities. I believe these measures will definitely bring positive effect in facilitating district administration. Since the DCs are a cradle for nurturing future political talents, the Government should enhance the DC system and its quality. More middle-class representatives and professionals should be encouraged to run in the DC elections. Unfortunately, little has been done and it was barely mentioned in the policy agenda as well as the current policies. Meanwhile, I think some adjustments should also be made on the DC appointed seats. A rotation scheme should be adopted to allow more new members to join the DCs. Under normal circumstances, members should only be appointed once, and their terms of service should exceed no more than two consecutive terms. In this way, the political talents will have more opportunities to participate in the DCs through the appointment system. The more experience they acquire, the more political talents we will have.

Effective governance can only be achieved through the present system of separation of powers. We have a very strong and independent Judiciary ensuring the rule of law, and it is one of the basic pillars for Hong Kong's success. Apart from the Judiciary, there should be an effective working and co-operative relationship between the executive and the legislature, working for the overall good of Hong Kong. The executive, through the presentation of this year's policy speech, has actually demonstrated its intention to achieve the best

welfare for the people of Hong Kong. It has done its part. As for us in the Legislative Council, have we done our part? The ball is on our court. We should strive to achieve co-operation and understanding between the executive and the legislature.

Thank you, Madam President.

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

(No Member indicated a wish to speak)

PRESIDENT (in Cantonese): If not, Council will now be suspended for 10 minutes. Designated public officers will speak when Council resumes.

5.21 pm

Meeting suspended.

5.31 pm

Council then resumed.

PRESIDENT (in Cantonese): A quorum is not present. Will the Clerk please ring the bell.

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

PRESIDENT (in Cantonese): A quorum is now present. Council now resumes to continue with the first debate session. Five designated public officers will now speak in this session. On the basis of 15 minutes' speaking time for each officer, they have up to 75 minutes in total for their speeches.

CHIEF SECRETARY FOR ADMINISTRATION (in Cantonese): Madam President, Chief Executive Donald TSANG published his policy address entitled "Proactive, Progressive, Always People First" on 11 October. Some political parties and their affiliates criticized the policy address for being hollow, evasive, lack of grand plans or even a blank answer sheet. Some Members criticized the policy address for being too pragmatic but not proactive enough.

The criticisms and advice from various sectors of the community should be carefully studied by us and we should reflect on ourselves. However, in respect of the criticism of the policy address being too pragmatic but not proactive enough, we beg to differ.

We should not neglect a fact. The current Government has only a remaining term of eight months or so before it has to hand the baton over to the next government. If the Chief Executive throws some so-called grand plans which can hardly be accomplished before his tenure of office ends, it is a rather irregular move. The Chief Executive cannot announce some grand plans that cannot be commenced immediately just for the sake of short-term applauses.

Besides, Chief Executive Donald TSANG has all along been a pragmatic person. The policy address reflects his pragmatism. He wishes to make use of his remaining term to implement policies that can be launched expeditiously. Last year when he ran for the post of Chief Executive, he already stated clearly his style of governance.

At that time, the Chief Executive said, "I will uphold pragmatism in the administration. (We do not lack projects of vital importance, but a clear perception and effective execution. We do not lack grand vision, but achievements for the benefit of the people. The Government should be pragmatic. Apart from pragmatism, there is no other alternative.)" This is one of the speeches published in June last year when he ran for the office of Chief Executive. At that time, his pragmatism was widely appreciated.

In October last year, the Chief Executive published his first policy address for his two-year tenure of office. There was a very important sentence in it. He said, "To demonstrate that we are a credible, pragmatic and accountable administration, I will only include in this policy address those measures and policies that are capable of implementation within the current term of this Government."

Hence, it is evident that this year's policy address has followed the same principle, and that is, to do what can be seen and what can be done. This is cognate with the Chief Executive's concept of pragmatism which has been supported by the people.

In the past 15 months, the Chief Executive has never eloquently talked about any grand and remote plans. He has only done his work in a down-to-earth manner. In the past year, Hong Kong economy has picked up not just because of the support of our country but also because of the further deepening of CEPA and the expansion of the Individual Visit Scheme. Meanwhile, the economies of the surrounding regions have performed well and there has been progress in our infrastructure, which include the commissioning of the AsiaWorld Expo, the commencement of the extension of the Hong Kong Convention and Exhibition Centre, the invitation of tenders for the Tamar project, the full participation of the arts and cultural sector in the West Kowloon Cultural District development project on which recommendations will be made early next year. In the protection of public health, we have set up the Centre for Food Safety, strengthened our notification system on infectious diseases with the Mainland, and launched the Action Blue Sky Campaign. Meanwhile, we have completed the review and consultation concerning the District Councils in order to strength district administration. A report on the discussions on constitutional development in the Commission on Strategic Development will be published in the first half of next year. A fair competition policy review will see its next stage of consultation. The Economic Summit has started to work by divisions in order to formulate feasible plans for our future economic development. Our success in attracting excellent mainland enterprises and banks for listing in Hong Kong is obvious to all. Most importantly, we have balanced our books again. All these achievements can only be obtained by the wholehearted co-operation among the SAR Government, all Members of this Council and the 7 million people outside the Chamber.

Although this policy address is subject to the eight-month constraint, the new policies stated therein have far-reaching implications to society. Take the education voucher scheme for early childhood education as an example. The parents will not only receive subsidies but also reduce their burden in meeting the expenses for their children's pre-school education. The resources invested in the voucher scheme will also give impetus to kindergartens to upgrade their teacher training and enhance facilities. We hope that the quality of early childhood education in the future can be enhanced as a whole so that we can provide good pre-school education for all generations to come. How can it be

said that this is not a far-sighted policy? The policy address has also proposed the setting up of the Family Commission to review various policies and resources in different areas in order to determine whether a restructuring is necessary to ensure the services provided are more family-oriented and better meet the needs of society. All these measures will have a far-reaching effect on the building up of a harmonious society.

The Chief Executive's policy address this year is relatively short and brief. But the policy agenda published at the same time has set out the new initiatives in five key areas. These five key areas are: effective governance, vibrant economy, caring and just society, enlightened people with a rich culture and environmentally responsible development.

In the next couple of days, all Bureau Directors will brief Members on their policies and measures.

Madam President, I would like to respond to comments that the policy address has "evaded problems" and "is not proactive enough". I feel most puzzled by such criticisms. One week ago, Members in this Chamber voted for Dr YEUNG Sum's motion on opposing the Goods and Services Tax (GST). Of course, the Government knows that the GST is extremely controversial. However, in view of the narrow tax base which will stifle Hong Kong's development in the long term, we put forth this proposal for consultation. In the past two decades, there has been opportune moments for us to review or discuss our tax regime. But no one has been courageous and committed enough to do so. If the Government is afraid of difficulty, it can leave it to the next government or the next generation. However, the Chief Executive did not do so because his government will not evade difficulties.

In this Chamber, Members can choose to speak on their prime concerns. However, as the Government, we have to look at the whole picture. As we all know, many Members are very concerned about environmental protection, education and, of course, dual elections by universal suffrage. These problems are very important mainly because they have far-reaching implications on our next generation. In fact, our tax regime is the same. So, why should we evade it and stonewall it? According to an opinion poll, while more than 60% of the people oppose the GST, more than 70% of the people think that the narrow tax base should be addressed and the consultation on this should continue. In the remaining consultation period, I hope Members can adopt an active and positive attitude in discussing and studying the tax regime with the people.

Mr LEE Cheuk-yan and Mr Albert CHAN have proposed amendments to the Motion of Thanks in order to express deep regrets on minimum wage, disparity between the rich and the poor, and the problem of plutocratic monopolization. I fully understand that they have to show a clear-cut stand on these issues. But I hope that they can join hands with the Government in a positive manner in order to tackle these problems in a pragmatic and concrete way for the benefit of the people. Initiatives mentioned in the policy address such as the Wage Protection Movement, family-oriented support measures and the consultation on policy for strengthening fair competition can only be implemented smoothly with Members' full support. So I hope Members can face these facts squarely.

With these remarks, Madam President, I urge Members to support the policy address for this year and oppose Mr LEE Cheuk-yan and Mr Albert CHAN's amendments to the Motion of Thanks. Thank you.

SECRETARY FOR THE CIVIL SERVICE (in Cantonese): President, first of all, I would like to thank Members for expressing a wide spectrum of views on civil service matters.

The Chief Executive has in his policy address commended the Hong Kong Civil Service as amongst the finest in the world. As the Secretary for the Civil Service, I have the responsibility to do my best to maintain a permanent and professional team of civil servants who are politically neutral, clean, efficient and committed. I also have a duty to defend the integrity of our civil servants. Our civil service colleagues do not subscribe to the "work less, err not" culture. In fact, they are fully committed to supporting the Government's execution of policies and under no circumstances will shrink from their commitment to provide quality public services to the community.

President, though at the moment I cannot see Mr WONG Kwok-hing in this Chamber, I still want to take this opportunity to clarify that the Chief Secretary for Administration is not the head of the Civil Service. I note from what Mr WONG has just said that he took the Chief Secretary for Administration as the head of the Civil Service, which is perhaps simply a misunderstanding. After the introduction of the political appointment system in 2002, it is the Secretary for the Civil Service who assumes the duty to formulate policies related to the Civil Service and manage the team of civil servants. If Mr

WONG or all other Members of this Council think that any part of the civil service policies is inadequate or needs to improve, or there are areas for improvement in the management of the Civil Service, then I am the person to come to.

President, in the addresses made by Members just now, I notice that they have expressed views on a number of significant issues, including the civil service establishment, the Non-Civil Service Contract Staff Scheme, civil service pay adjustment and political neutrality of our Civil Service. I will respond to each of these issues. At the same time, I will pursue these as well as other civil service-related issues at meetings of the Panel on Public Service where in-depth discussion with Members will continue to be held.

On civil service establishment, Members who spoke in the debate do recognize that over the past few years, under the principle of maintaining the level and quality of the services provided to the public, concerted efforts have been made in the Civil Service to streamline the procedures and flow of work, restructure its institution, enhance efficiency, and progressively reduce the number of civil servants and civil service posts. As at the end of August 2006, the strength of the Civil Service was less than 160 000. The civil service establishment has been reduced by 18% from about 198 000 in early 2000 to about 162 300.

Continuous efforts will be made to monitor the staffing situation of individual bureaux and departments through their annual manpower plans. We shall continue to discuss and work with them to control their establishment through measures such as internal deployment, deletion of vacancies, streamlining, and so on. While it remains our target to reduce the civil service establishment to about 160 000 by the end of March 2007, we remain committed to refrain from forced redundancy in a bid to reduce the establishment. We will follow the principle of increasing or decreasing the number of staff on well-justified needs in reviewing the manpower requirements. We will recruit staff to fill vacancies as appropriate and create new posts when such need arises so as to provide bureaux and departments with adequate staff to implement new initiatives and meet the public's demands. We will also review the need to resume open recruitment to enable the Administration to inject new blood into the Civil Service and to safeguard against succession problems in the longer term. We aim to report the outcome of the review to the Panel on Public Service upon its completion by the end of this financial year.

A number of Members have also touched on the issue of non-civil service contract (NCSC) staff in their addresses.

The Non-Civil Service Contract Staff Scheme was introduced in 1999 to provide heads of departments with a flexible means to employ staff on fixed contract terms outside the civil service establishment to meet service needs which are time-limited, short-term or seasonal, or subject to market fluctuations, or which require staff on a part-time basis, or where the mode of delivery of the service is under review or likely to be changed. The Civil Service Bureau has set out the guiding principles and detailed arrangements for reference by heads of departments in the employment of NCSC staff.

The number of NCSC staff may fluctuate, depending on the need. In conjunction with the departments, we are now conducting a review of the NCSC staff situation. Where it is established that civil servants instead of NCSC staff should be employed to meet specific service needs, we would devise appropriate follow-up measures with the bureaux and departments concerned while keeping the size of the overall civil service establishment under control. We aim to complete the review around the end of this year and report the outcome to the Panel on Public Service. I would like to reiterate that appointments to the Civil Service are based on the principle of open and fair competition. NCSC staff who apply for civil service posts have to go through a selection process together with other applicants not employed in the Civil Service. In line with the Government's objective of making appointments on the basis of merits, the best persons from the eligible applicants will be selected to fill the posts concerned.

Ms LI Fung-ying has just brought up the issue of civil service pay level survey. In March 2005, we decided to conduct a pay level survey for the Civil Service based on the survey methodology recommended by the consultant (that is, the consultant engaged for the design of the survey methodology). According to the recommended survey methodology, civil service jobs and private sector jobs that are broadly comparable in terms of job content, work nature, level of responsibility and typical requirements on qualifications and experience will be matched to serve as a basis for pay comparison purpose. We appointed the Phase Two consultant in June 2005 to undertake the field work of the pay level survey. The consultant has recently completed an intensive job inspection process, which includes conducting over 200 job inspection interviews for over 1 400 representatives of civil service job holders, to ascertain the job-related characteristics of the civil service benchmark jobs. In total, 360 job

descriptions have been drawn up for 61 civil service benchmark grades. This process has laid the ground for identifying appropriate job matches in the private sector to facilitate the collection of private sector pay data. After briefing the staff sides on the job matching approach, the consultant is now conducting job matching in some 100 private sector organizations under the principle of broad comparability, with a view to collecting pay data from these organizations using 1 April 2006 as the reference date. The job-matching and data collection processes are expected to be completed by the end of 2006 or early 2007.

It has all along been our primary principle to conduct extensive staff consultation for the sake of ensuring adequate and full communication, and enhancing mutual trust with the staff side in conducting the pay survey. As usual, we will consult the staff side on the application of the pay survey results. Through detailed discussion with the Consultative Group on Civil Service Pay Adjustment Mechanism, the inherent differences between the Civil Service and the private sector are fully reflected while the relevant policy considerations, including upholding and cultivating the core values of the Civil Service, are duly taken into account when determining the pay level adjustment. We would continue to report the progress of the pay level survey and other related matters to the Panel on Public Service at future meetings.

In the address made by Ms Emily LAU Wai-hing just now, she particularly expressed concerns about whether civil servants could maintain political neutrality, especially when the further development of the political appointment system is underway.

Traditionally, the Civil Service represents the core foundation of the Government and provides stability and continuity for Hong Kong's governance and government operations. In the further development of the political appointment system, the Government is committed to maintaining a permanent, professional, meritocratic, clean and politically neutral Civil Service.

The constitutional role of the Civil Service is to support the serving Chief Executive and his Government. The two features of the Civil Service, namely permanency and political impartiality, enable it to perform such role. The permanent nature of the Civil Service provides stability and continuity to the governance of Hong Kong through changing times and changing political leadership. The permanency of the Civil Service goes hand-in-hand with its

political impartiality. The Civil Service must be politically impartial in order to serve the Chief Executive, the Principal Officials and the Government of the day — whatever their political persuasion — with total loyalty on the one hand; and to retain the confidence of — and serve with equal loyalty — a future Chief Executive, future Principal Officials and future Government of perhaps a different political persuasion on the other.

The concept of a politically neutral Civil Service does not mean that it needs not engage in any work with political content. It means that the Civil Service must give full support and commitment to the Government of the day. In making policies, civil servants put forward honest and impartial advice on policy options formulated by the Government of the day to their best abilities. Once decisions are taken by the political tier, civil servants will, regardless of their own personal convictions, implement the decisions taken and discharge their public functions without fear or favour. Traditionally, senior civil servants have been involved in work with political content, such as explaining and defending government policies and decisions, and lobbying for support for them. With the introduction of additional political appointments, the political team will play a more important role in this aspect of work. However, this does not mean that civil servants, particularly senior officers, need not engage in such work in the future. There is no incompatibility with the political neutrality of the Civil Service for them to take on such work. Nevertheless, under the principle of upholding the core value of political neutrality, civil servants should not engage in certain political work, such as election politics or personal electioneering activities or those of political parties. During the development of the political appointment system, I, as the Secretary for the Civil Service, have not received any complaints from civil servants about being instructed by his Secretary or supervisor to engage in any business related to electioneering activities.

President, I understand that some of the public are of the view that the Civil Service still has much room for improvement. In this respect, my colleagues in the Civil Service and I will continue to work with dedication and strive for excellence. However, in general, I believe that most of the public recognize the contribution of the Civil Service. I look forward to continuous co-operation with my colleagues in the Civil Service, Members of this Council and the community at large in our efforts to better our Civil Service continuously.

President, with these remarks, I sincerely hope that Members will support the 2006-2007 policy address and oppose the two amendments to the Motion of Thanks. Thank you.

SECRETARY FOR CONSTITUTIONAL AFFAIRS (in Cantonese): Madam President, I would like to speak on three areas in response to Members' speeches today. These will cover the development of the political system, proposal on further development of the Political Appointment System and matters related to the District Councils (DC).

On the part of the SAR Government, we have been striving to promote the development of a democratic political system in Hong Kong in accordance with the Basic Law. Last year, we proposed the political development package for 2007 and 2008 in the hope that the democratic element of two electoral systems, meaning the Chief Executive Election and the composition of Legislative Council, can be enhanced. We hoped that through the inclusion of several hundred people, 400 of them being directly elected DC members, into these two electoral systems, public and community participation in these two electoral systems could be enhanced. On the other hand, we expressly stated that the traditional functional constituency seats would not be increased. This justified why before and after the votes were cast in this Council, around 60% of the people still supported this package.

Before the Legislative Council cast its votes on 21 December 2005, the Chief Executive had set up the Commission on Strategic Development (the Commission) in November. We hoped that no matter whether or not we could obtain a two-thirds majority support in this Council, there would be a channel or platform for continued discussions and study on the way forward for the implementation of the two packages for universal suffrage. So, in the Commission, we have invited Legislative Council Members, representatives from the business sector, professionals, the academia and the media to participate in the discussions. We hope that through the discussions, various groups and strata in the community will be mobilized to support the two packages for the elections by universal suffrage. Through the discussions in the Commission, we also hope that we can, outside the Legislative Council, enhance the understanding and recognition of the community of these two issues so that in the next stage when we propose to amend Annexes I and II in 2007 and 2012 in this Council, there will be a firmer foundation for our proposal.

Within the Commission, we have been working almost for a year. We have held six plenary meetings and three workshops. In early November, there will be another workshop on different packages concerning the model of universal suffrage for the Legislative Council election.

Within the Commission, our work has already entered a stage where the substantive details of universal suffrage are discussed. Regarding the model of universal suffrage for the Chief Executive election, we have discussed three aspects. The first aspect is about the formation of the nominating committee, from what sectors the representatives should be drawn and the number of representatives. Secondly, it is about the procedures and mechanism through which candidates for the Chief Executive election can be nominated. Thirdly, how should these candidates face the community of Hong Kong and the registered voters? In what mode should universal suffrage by "one person, one vote" be implemented?

With regard to the mode of universal suffrage of the Legislative Council, we are talking about three options and three possible directions. First, all Legislative Council seats will be returned by geographical constituency (GC) direct elections. The second direction is to maintain certain GC seats and at the same time consider changing the mode of election of functional constituency (FC) seats so that all these seats are returned by universal suffrage. The third direction is to consider the implementation of a bicameral system.

Our discussions in the Commission have gradually narrowed down the differences in opinions. Let me quote an example. With regard to the Nomination Committee, we have all accepted that we should base on Article 45 of the Basic Law in order to conduct the universal suffrage and set up the Nomination Committee. Even Mr LEE Cheuk-yan also mentioned that tens of thousands of registered voters can nominate a candidate. But the candidate has to be recognized by the nominating committee.

After rounds of discussion, Members of different parties, including the pan-democrats, agree that we have to address a particular issue. There are 60 seats in the Legislative Council, 30 of which are representatives of FCs. Any package for universal suffrage should at least obtain the partial support of the FCs in order to get a two-thirds majority of Legislative Council Members to pass the package of universal suffrage for the Legislative Council. This is a constitutional and political reality. It is not just necessary to gain the support of

a two-thirds majority of Members. At present, sectors and organizations which are represented in this Council will also demand full discussions and expression of views.

Thirdly, I would like to mention examples of narrowing down the differences in opinions. In both the Legislative Council and the Commission, we have discussed whether the bicameral system should be shelved. I am sure that we will decide on this issue in November. Generally speaking, Madam President, with regard to the roadmap and timetable for universal suffrage, our strategy is to have the roadmap first and the timetable later. We have along held the view that we should have the roadmap and the timetable for universal suffrage as soon as possible. But since the issue of universal suffrage touches on the interests of different sectors, we have to deal with the issue properly, in particular the future of FCs. Most importantly, we have to allow all sectors of society to engage in a full discussion in order to have a better chance of reaching a consensus. We hope different political parties and groups can support the work of the Commission and narrow down their differences pragmatically so that we will be able to draw up a model and roadmap of universal suffrage. When a model and roadmap of universal suffrage has been drawn up and a consensus reached, the conditions for a timetable will be ripe.

Let me respond to speeches made by some Members today. Mr LEE Wing-tat and other Members are very concerned about whether there will be discussions on the model of universal suffrage and roadmap in the Legislative Council, apart from the Commission. Madam President, we have adopted a two-pronged approach in the discussions. Apart from the discussions in the Commission, we have held frequent discussions on the principle and model of universal suffrage at the meetings of the Constitutional Affairs Panel of this Council in the past six months. Papers of the Commission and proposals of different organizations and individuals are all presented to the Panel of the Legislative Council. We have also listened to Members' views and reflected their views to members of the Commission. Regarding the Commission's discussions, we will consolidate their views in the first half of next year and then publish a report which will be published in Hong Kong and submitted to Beijing.

Mr LEE Wing-tat is very concerned about the situation in Hong Kong after the publication of the report. I believe that after the publication of the report, there will be opportunities for all citizens and various sectors and groups to hold further discussions and express their views on modes of universal

suffrage. From 2007 to 2012, if we wish to submit a new proposal, we must do so in accordance with Annexes I and II to the Basic Law in order to gain Members' support. So, the participation of citizens and this Council will not be evaded and there will be ample opportunity for them to get involved and discuss the issue.

Ms Emily LAU was very excited and emotional in her speech today. Just now, I asked her in the Ante-Chamber whether she felt good because of her success in securing a second term. I would like to respond to her special concern about the future operation of the nominating committee. Madam President, although in the Commission, there is a view that there should be some pre-election mechanism in the nominating committee, but this is only the view of an individual member at an early stage of brainstorming. In future, we will have to consolidate and collate the ideas. So, at this stage, it does not matter even though some ideas do not gain unanimous agreement. We have yet to come to a decision. At this stage, the SAR Government does not have a final decision and this exactly matches what the Chief Executive has said, that the mode of election in 2012 is still a white sheet of paper.

Mr CHEUNG Man-kwong quoted the *Bible* again and mentioned that some Asian countries which implemented universal suffrage had encountered some problems. I was astonished that Mr CHEUNG regarded corruption as a spike. In fact, money politics is very serious which can turn something good into bad. Mr CHEUNG, with his excellent eloquence, has slightly distorted some of the statements of the SAR Government made some time ago. In fact, a week ago, he asked us about our views on the problems encountered in other Asian countries. He originally wished to test whether we considered that since there was something wrong in the democratic system in other countries Hong Kong should delay the implementation of democracy. However, when he found that we had a positive attitude, he moved the goalposts.

Madam President, I would like to reiterate our position. First, in Hong Kong, we have a very clean electoral tradition. I believe that one day when we have implemented universal suffrage, we will certainly have the ability and the resolve to defend a fair, impartial and open electoral system.

Second, at the present stage, we need to plant the tree of universal suffrage which has to be grounded and rooted in Hong Kong soil. We need a mode of universal suffrage which is made in Hong Kong. So, in the coming six months or so, there will be a fully interactive period. The discussions within and

outside the Commission and the discussions within this Council will have an important bearing on the package that we will propose in the period from 2007 to 2012 for further promoting Hong Kong's democratic development.

Madam President, next let me talk about the further development of the Political Appointment System. We have proposed that apart from the Secretaries and Bureau Directors, there should be a system of Deputy Bureau Directors and Assistants to Bureau Directors. We hope that the Chief Executive to be returned by election in future, be it direct or indirect election, will have ample room for him to build up a political team which can help him implement his political platform and undertakings. All the promises have to be honoured.

We also hope that through this system, the channel of political participation can be widened and the Government can extend its personnel network. This will also enable better communication between different networks of opinion in the community and the SAR Government. In doing so, we can pool our wisdom together and pave the way for the election of the Chief Executive by universal suffrage.

Some Members, including Mr LEE Wing-tat, asked whether we should add these two or three tiers of political appointees only after the Chief Executive has been elected by universal suffrage. I am sure if we always argue on the chicken and egg problem, a new system will never be nurtured and never be born.

Here, I would like to make a small digression. Mr Albert HO just mentioned that the Chief Executive would be required to resign from his political party once he had been elected. But this is not laid down in the Basic Law but in the local laws. So, it is not necessary to amend the Basic Law even if we have to deal with this problem.

The second main point is that the Political Appointment System is introduced in order to enable the institutional framework of the Government to keep abreast of the times. In 1985, there was the first Legislative Council Election. At that time, there was partial indirect election through which 24 seats of the former Legislative Council were returned. In 1995, the Legislative Council as a whole was returned by the GCs and the FCs. However, during the past decade or so, the structure of the principal officials and the political

leadership of the SAR Government had not changed. We had to wait until 2002 before a change came. If the government system does not keep abreast of the times, the SAR Government will not be able to serve the public in a comprehensive manner. So, in 2002 we introduced the Political Appointment System in order to respond to the demands of society. Members can see that in the penny stock incident and the SARS, it was our appointed Bureau Directors who borne the political pressure and responsibility and handled the views in the community.

The Political Appointment System enables the institutional framework of the Hong Kong SAR Government to get closer to that of the overseas democratic systems. For example, in Canada and the United Kingdom, they have two to three tiers of political appointees to speak in the Parliament on behalf of the government and deal with legislative and political issues. In the United Kingdom, they have Secretaries of State, Ministers of State and Parliamentary Vice Ministers. In Canada, they have Ministers and Parliamentary Secretaries. So, in Hong Kong, if we have two more tiers, there will be more political appointees who will deal with legislative and politically sensitive issues on behalf of the Government.

Mr Patrick LAU has proposed for the establishment of a few more bureaux and appointing more Directors of Bureaux. But this will not help us establish a multi-tier corps of political appointees and this will not nurture the development of a mature political appointment system. I would like to respond to Mr Patrick LAU that the further development of this Political Appointment System will not lead to the distribution of favours among political parties. The SAR Government will continue to make appointments on a meritocratic basis. All nominees to be appointed as Secretaries of Departments, Bureau Directors, Deputy Directors and Assistants to Bureau Directors should possess expertise and abilities in their scope of duties, and the political skills and abilities to deal with council business and the media. And they should also support the political platform of the Chief Executive. I do not think these posts will be monopolized by a few political parties. Most of the political parties will devote most of their manpower to the 2007 District Council Election and the 2008 Legislative Council Election. I believe that the third term Chief Executive will have to draw talents who aspire to taking part in politics from political parties, the Civil Service, business sector, professional groups, academia and even the media. It will not rule out people of the middle-of-the-road camp such as Prof Anthony CHEUNG, the incumbent Executive Council Member. I am sure the third term Chief Executive will do his best to widen the political spectrum.

Madam President, lastly, let me now turn to matters related to the DCs. We have completed the review of the roles, functions and composition of DCs and the pilot scheme will be implemented soon. The Constitutional Affairs Bureau has proposed to members a "\$10 for one vote" funding scheme for the 2007 District Council Election. A relevant bill on this will be submitted to this Council later.

Concerning the work of DCs, I would like to tell Members that I visited a DC a few months ago. On the afternoon of the day, apart from visiting the facilities in the district, I had the chance to talk with a dozen or so DC members on matters of their common concern. When the meeting almost came to a close, a member of the democratic camp asked me, "Secretary, will the SAR Government consider re-submitting the election package for the fourth term of the Legislative Council in 2008 so that we can have the chance to get more seats in the Council?" He was very sincere and I answered him categorically. I said that it needed a good opportunity to take forward political development and the opportunity had passed on 21 December 2005 and it was difficult to present the package again under the current situation.

In fact, the question asked by the democratic representative of the DC reflected that the opponents who had vetoed the 2007 and 2008 package in this Council had made two erroneous decisions. First, they stifled the chance of progress in the political system of Hong Kong. As a result, we are unable to widen the scope of political participation. They also stifled the chance for the second and third tiers of the political parties and political groups to rise up the ladder. The second mistake is that they missed the opportunity to build a broader base for democratization in Hong Kong. If we were able to make a step forward last year, we would have a firmer base for discussions on the mode of universal suffrage in future. Madam President, but this does not matter. In the SAR Government and among those who have participated in the discussions on universal suffrage in the Legislative Council and the Commission, I can see that we all earnestly hope that universal suffrage can be implemented in Hong Kong.

The SAR Government will definitely continue to promote universal suffrage in a positive manner. We will strive for a consensus in universal suffrage and fight for a roadmap. We will work hard to widen the scope of political participation. We will do our best to invite men of ability from all quarters and promote political talents. At the district level, we will enrich the

functions of DC. No matter the Chief Executive, the Legislative Council, the DCs and the institutional framework of the SAR Government, all these will be implemented thoroughly. Political parties and groups and those who aspire to participating in politics will have a wider space to take part in Hong Kong's political development and the growth of the entire system. We hope that different political parties and groupings will adopt the same positive attitude and work hard in the next few years towards these directions so that the progress of political development in Hong Kong will not be stalled.

With these remarks, Madam President, I urge Members to support the policy address and the original motion and oppose the amendments.

SECRETARY FOR SECURITY (in Cantonese): Madam President, Hong Kong is one of the safest cities in the world. To keep this hard-earned reputation has all along been our sustained goal. We must adopt various policies to meet the needs of Hong Kong's development in social and economic aspects. I would like to thank Honourable Members for their advice on our security policies. We will definitely give them careful consideration and follow them up.

In the past year, the Security Bureau and the discipline services have worked very hard to implement our objectives. Let me cite some examples.

In June this year, the Immigration Department by and large completed the installation of about 240 passenger e-channels and 40 vehicular e-channels to facilitate Hong Kong residents in their entry into and exit from the territory. Now, apart from permanent residents of Hong Kong, holders of documents of identity as well as some non-permanent residents of Hong Kong can use e-channels provided they have smart identity cards.

Besides, the civil celebrant scheme was implemented in April this year. This gives more flexibility and more choices in marriage solemnization services to individuals getting married so that more institutions in the private sector can participate in providing such services.

In December last year when the Hong Kong Ministerial Conference was organized by the World Trade Organization, the Police Force was very devoted

to maintaining law and order. Their efforts are widely recognized by society. Of course, the Police Force will continue to spare no effort in combating crimes so that our crime rate can be kept at a low level.

To solve the problem of overcrowdedness of our prisons and the ageing facilities, and to enhance rehabilitation services, in July this year, through alteration works, the Lai Chi Kok Reception Centre was commissioned and offered 650 places to relieve the overcrowdedness of the female prisons. In July this year, the Finance Committee of the Legislative Council also approved funding for the redevelopment of the Lo Wu Correctional Institution. The redevelopment project will start in April next year and is expected to complete by the end of 2009. A total of 1 400 correctional places will be provided.

In order to combat unlawful elements who try to bypass our immigration control by using others' identity, the Immigration Department has installed face recognition systems to identify the real identity of suspected arrivals and visa applicants at various border control points and visa offices. Since the implementation of this system in 2004, we have successfully identified 480 unlawful elements who tried to evade immigration control by using others' identity.

We must maintain our edge in law and order so as to create the conditions for long-term and sustainable development. Accordingly, we must give reasonable and legal investigative powers to law-enforcement agencies while providing full protection to privacy. This is the purpose of the Interception of Communications and Surveillance Ordinance (Ordinance) passed at the last Council meeting of the previous Legislative Session. Here I thank Members for their participation and advice.

I would like to emphasize that the law-enforcement agencies will strictly observe the Ordinance, the code of practice and the requirements for authorization. They will conduct covert operations only when there is a need to prevent or investigate crimes or protect public order. The authorities will closely monitor the implementation of the Ordinance. As I said in the resumption of the Second Reading debate of the bill, the authorities will conduct a review of the Ordinance. Apart from a review of the matters raised in the annual report by the Commissioner, we will also conduct a comprehensive review of the Ordinance after the Commissioner has submitted his second annual report for the whole year.

In review of our work in the last year, I would like to outline some important initiatives for the Security Bureau in this legislative year.

As the Chief Executive has emphasized in this year's policy address, we need to attract talents from all over the world to consolidate the sustainable development of Hong Kong. This has been the fundamental policy of the SAR Government. For the development of our economy, it is necessary to upgrade the quality of our population. Apart from nurturing our own talents, the Government will continue to attract talents from the Mainland and overseas to settle and work in Hong Kong. The Government strongly believes that the admission of talents will enhance Hong Kong's competitiveness and prosperity. It will help Hong Kong attract more capitals and create more job opportunities. Since the implementation of various admission schemes for talents in 1999, around 20 000 to 25 000 talented people are allowed to come and work in Hong Kong annually from the Mainland and overseas through various admission policies and admission schemes.

Besides, in June this year, the Immigration Department launched the Quality Migrant Admission Scheme. The objective is to attract those people who have made career or professional achievements and have potential for continued development. The applicants should meet the basic requirements in terms of academic and professional qualifications and working experience. The Government has set up an advisory committee which comprises people from different sectors to advise the Director of Immigration on the allocation of quotas and the implementation of the scheme. We expect that the first batch of successful applicants will be short-listed by the end of this year and a review will be conducted after the scheme has been implemented for one year.

Hong Kong is an international financial centre. It is very important for us to maintain an effective system to combat money laundering. At present, the anti-money laundering system in Hong Kong is sound and effective. We have a comprehensive anti-money laundering framework which includes the judicial and legal systems, the monetary monitoring system and international co-operation channels. The monitoring mechanisms of banks, securities and insurance systems in Hong Kong also cover effective and comprehensive measures to prevent black money and terrorists' funds from getting into our financial system. Our law-enforcement and official agencies will continue to co-operate with other jurisdictions to combat and prevent money laundering activities.

The Hong Kong SAR Government will continue to implement the amended 40 recommendations and nine special recommendations laid down by the Financial Action Task Force on Money Laundering.

In view of the close tie with Mainland, we will provide more convenient clearance facilities. As at the end of September 2006, 6.1 million smart identity cards have been issued. After the adoption of smart identity cards and e-channels, holders of smart identity cards can use self-help immigration clearance which has substantially improved the efficiency and clearance capacity of the border control points.

The Immigration Department is now making preparations for electronic passports which will be introduced in early 2007.

Another major measure for facilitating clearance is the co-location arrangement at the new control point at Hong Kong-Shenzhen Western Corridor. Both Shenzhen and Hong Kong will continue to press ahead in full steam the project of the new border control point at Hong Kong-Shenzhen Western Corridor and the works for the subsequent phases in order to tie in with the commissioning of the Corridor in July 2007. After Hong Kong is authorized by the Central Authorities to exercise jurisdiction over the Hong Kong port area of the new control point, we will have to enact legislation so that the laws of Hong Kong shall apply to the Hong Kong port area and to make relevant provisions for the purpose.

Another initiative of the Security Bureau is to enact the Independent Police Complaints Council Bill (the Bill) into law. We are actively proceeding with the drafting of the Bill so that the Independent Police Complaints Council (IPCC) can be changed into a statutory body and a legal basis for the existing police complaint system can be provided. After consulting the IPCC on the Bill and completion of the drafting, we will present the Bill to the Legislative Council for examination.

Reducing the size of the Frontier Closed Area (FCA) is a measure which takes into account the changes in the security conditions and provides more convenience for the public. In September this year, we announced the outcome of the review of the coverage of the FCA. We recommended that the FCA be slashed by more than 70%.

After publication of the review result, we will introduce our recommendation to various bodies and organizations and brief relevant panels of the Legislative Council.

Madam President, a stable society and sound law and order situation are the basis of people's peaceful life. These are also the important factors that attract inward investments and tourists to Hong Kong. The Security Bureau will continue to launch various measures to maintain Hong Kong's competitive edge in this regard so as to tie in with the development and needs of Hong Kong society.

With these remarks, Madam President, I urge Members to support the original motion and oppose the amendments.

SECRETARY FOR JUSTICE (in Cantonese): Madam President, Members, I have taken up this post for just one year. All along, the Chief Executive and the Government have required me and the Department of Justice to provide professional and accurate legal advice. To be true to the laws is to be true to the Government. My objective is to provide quality and most needed services to the Government and Hong Kong people.

I hope Members will not think that the Government does not abide by the law and take this as their starting point. In fact, day-in day-out, the Chief Executive and various departments seek legal advice from the Department of Justice. The purpose is to ensure that their acts comply with the principle and spirit of law and colleagues in my Department are devoting all their efforts to this end.

Just now, Ms Margaret NG has cited a few examples to show that the Government is not law-abiding.

The first incident is about the executive order issued by the Chief Executive in a litigation concerning interception of communications. I would like to do some clarification here. The Government has never said that the executive order carry the same legal effect as legislation passed by the Legislative Council. It is only some sort of measure to regulate the conduct of law-enforcement agencies in this aspect before the enactment of legislation. As to whether the executive order can meet the definition of "legal procedures"

under Article 30 of the Basic Law, there was certainly room for controversy at that time because there had been a precedent stating that "legal procedures" were not necessarily the same as "law" before the Court of Appeal handed down its ruling. In 1988, there was already a precedent on this and I am not going to elaborate the details. Eventually, after the Court of Appeal has made a ruling, the Government has not appealed on this to the Court of Final Appeal (CFA). I would like to add that in the first instance, the plaintiff said that the executive order had been issued in lieu of legislation by the Government. At that time, Mr Justice HARTMAN completely disagreed with the statement of the plaintiff. He said that the Government's grounds were insufficient, and they could not be regarded as the "legal procedures" under Article 30 of the Basic Law.

Secondly, Ms Margaret Ng pointed out that it was a presumptuous act on the part of the Government by requesting the Court to issue a "temporary validity order". I totally disagree to this.

Both Mr Justice HARTMAN and the Court of Appeal agreed that the Court did have the power to issue such an order and the Court did issue the order in both the first instance and appeal procedures. The CFA has not denied that the Court has such a power, pointing out that when circumstances permit, it is possible for the Court to make such an order. But having considered all the circumstances, including the situation of legal vacuum, the Court considered that it was not appropriate to issue a "temporary validity order". Instead, a "temporary stay order" was issued which allowed the authorities to continue with its covert surveillance in the six-month grace period.

Members, from the ruling we can see that, firstly, the Court has to be fair and unbiased and will not consider the political consequences when making a ruling. But this also reflects that the Court will not turn a blind eye to the implication of the ruling to society. Under special circumstances, special measures will be adopted such as the "temporary validity order" and "temporary stay order". Of course, it should be made under special circumstances including possible jeopardy to public security or the rule of law. In fact the Government has been very responsible in making such a statement.

Because of the time constraint, I am not going to discuss in detail another example cited by Ms Margaret NG, and that is, the presumption of innocence in a CFA case. I just wish to state that the relevant grounds and the basis of arguments of the Senior Counsel representing the Government put the focus on

the implication of the Court's ruling on the rule of law. So, in terms of legal principle, they have a sound basis built on the judgements and precedents of the European Court of Human Rights. And the Department of Justice also concurs. The CFA has neither denied such a legal basis nor that the Court has the power to issue the orders applied by us when circumstances permit. However, having considered the overall situation, the CFA did not accept the Government's request. Nevertheless, it has not criticized the Government's basis of arguments. So, it is not justified to accuse the Government of not abiding by the law.

Thirdly, Ms NG asked what role the Department of Justice should play in the process of the legislation on the interception of communications. I would like to give the following explanation. The situation of Hong Kong is different from that of the United States and Australia. In the United States and Australia, the Attorney General is responsible for security and law enforcement. But in Hong Kong, as we all know, it is the Security Bureau which is responsible for the monitoring of interception of communications and covert surveillance by law-enforcement agencies. But this does not mean that the Department of Justice has not provided assistance. We have been providing support in terms of legal advice, drafting of bills and attending meetings of Bills Committee. We actively ensure that the laws are in line with the safeguards provided by the Basic Law, in particular, the protection of privacy and the right to a fair trial.

In the process, Members had expressed a lot of views which were in fact scrutinized by the Security Bureau and the Department of Justice. The Security Bureau has adopted many suggestions by Members incorporated them into the Government's amendments.

So, I disagree with Ms NG's statement that the Government has vetoed all Members' amendments, because their amendments are already embodied in those of the Government.

However, I still wish to say that I am particularly grateful to Ms Margaret NG and Mr James TO for their valuable views and efforts in the legislative work. We are very grateful to them.

Of course, in relation to the relevant provisions, Members may have different opinions. But I would like to point out that in March this year, the Law Reform Commission (LRC) released a report on the issue. The LRC

recommendations, among the others, are related to the basic authorization mechanism and safeguards, appointment of the panel Judges by the Chief Executive, the creation of a Commissioner and the notification mechanism which are all similar to those of the Government. As we all know, the LRC comprises many senior Judges, lawyers and scholars. Furthermore, when compared with the legislation of other countries, ours is comparable. We even excel in some individual provisions. Recently, Lord Falconer of Thoroton, the Lord Chancellor-cum-Secretary of State for Constitutional Affairs of the United Kingdom, visited Hong Kong. Well-versed in our legislative work, he told me that he considered and agreed that our legislation had achieved a proper balance. So, in this aspect, the Department of Justice has worked very hard to participate in the process.

Besides, Ms NG has also referred to other matters. Owing to the time constraint and as I have explained in the panel meetings, I will not go into the details now. However, finally, Ms NG suggested that the Department of Justice should lead the profession and the academia to engage in studies with the Mainland in order to break the barrier and promote exchange so that Hong Kong can become an international legal centre. On my part, I fully agree and appreciate Ms NG's suggestion. But I would like to point out that in promoting exchanges with our counterparts in the Mainland, we will not limit ourselves to official activities. I would like to point out a few aspects. The Department of Justice has signed co-operation agreements on legal services with several mainland provinces and cities. Conferences and seminars organized on the basis of these agreements have seen wide participation by our lawyers. Secondly, when promoting our legal profession in the Mainland, we have also worked hand in hand with the Hong Kong and mainland officials, the profession in the non-official circle and the academia. For instance, a delegation comprising Hong Kong solicitors and barristers led by the Department of Justice participated in the China Lawyers' Forum held in Tianjin last year. Besides, we should bear in mind that in the supplementary agreement of the third phase of CEPA, I had maintained contact with the two legal bodies to discuss what issues should require communication with the Ministry of Justice in April. As we all know, breakthroughs were achieved in several aspects in June. So, all along we have been making efforts in this aspect with the profession and the academia.

Owing to time constraint, I will briefly talk about the increase in judicial review cases mentioned by Mr LI Kwok-ying and Mr Albert CHAN. I will not

go into details the cause of such a phenomenon. Basically, I agree with the reasons cited by the Chief Justice. But I would like to emphasize that the increase in the number of judicial review cases has reflected that Hong Kong has an independent Judiciary and our rule of law is sound. Moreover, the safeguard for rights and freedoms provided by the Basic Law is not hollow but substantive. But I fully understand the concern of Mr LI, that the Courts have to deal with political and economic problems. Regarding this aspect, the Chief Justice has also talked about it and the Courts have also expressed their views in some cases. But I fully agree with Mr LI that precaution has to be taken. In fact, the daily routine of the Department of Justice includes the provision of legal advice to the Chief Executive and various government departments in order to ensure that the bills, policies and acts are constitutional and lawful so that the chances of facing challenges in law can be minimized. Meanwhile, the Department of Justice and the Civil Service Bureau have frequently worked together in organizing training courses and seminars, including those relating to understanding of the Basic Law, exercise of discretionary powers and judicial reviews. We have made in-depth studies on all these subjects.

Besides, Mr Patrick LAU mentioned the disputes between flat owners and Owners' Corporations. He hopes that the Department of Justice can strengthen communication with the profession so that, through publicity, the public can enhance their knowledge of other channels of resolving disputes. This I fully agree. In fact, I have maintained contact with the professions, including Mr Patrick LAU, the architectural sector, the surveying sector and estate management sector. I have also liaised with all arbitrary bodies and mediation service providers. We will actively promote arbitration and mediation as a means to settle disputes, apart from litigations in Court. In particular, there is still enormous room in mediation. Regarding the disputes between flat owners and Owners' Corporations mentioned by Mr LAU, there is actually a lot of room, for instance, the so-called community mediation. On this, I will actively gain a better understanding of it and promote it. But co-operation among various sectors is required in order to promote some measure of cultural change. The Judiciary, the Department of Justice and the profession have all along been working together to further promote publicity, education, training, and pooling their efforts together.

Madam President, these are my remarks. (*The buzzer sounded*) This has also proved that.....

PRESIDENT (in Cantonese): Secretary for Justice, time is up.

SECRETARY FOR JUSTICE (in Cantonese): Thank you.

PRESIDENT (in Cantonese): The first debate session ends.

PRESIDENT (in Cantonese): We now proceed to the second debate session. The policy areas for this session are "commerce and industry, economic services, financial affairs, information technology and broadcasting and labour".

MR RONNY TONG (in Cantonese): Madam President, please allow me to be the first to speak in this session. On the surface, this policy address appears to include quite a lot of paragraphs on the economy, but we cannot just look at the quantity to the neglect of quality. If we look at it more closely, we can see that this policy address actually has a number of serious problems on the economy front.

Firstly, in the entire policy address, we do not see any solution proposed by the Chief Executive to overcome the economic challenge mentioned by him. Perhaps it is because the Chief Executive thinks that a remaining term of nine months only is not enough for him to formulate long-term policies in any aspect, but we think that this is absolutely not something that a leader should do. It is true that there are only nine months before the expiry of the incumbent Chief Executive's term of office, but a real leader will not formulate only short-sighted policies because of the length of his term of office. On the contrary, he would consider it a fundamental duty to set long-term objectives for the place under his governance.

Looking around the world, we can say that no leader of significance is so short-sighted and incompetent. Any responsible leader will lay down a directional foundation and provide sufficient information on major issues for the community, so that future leaders or the next government can have the foundation and options for development in the long-term policies. However, the Chief Executive has failed to deliver in this respect, and he is even unwilling to set out policies even for the shortest term. Perhaps he is of the view that the

forthcoming election is most important to him in the next nine months and so, he may have to put aside some major issues for the time being and bring them up only at a later time, so as to gain support from the 800-member small circle. However, I hope that the Chief Executive will not forget that he cannot leave the economic development of Hong Kong completely blank just because of these nine months.

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

On many issues, such as externally, how the tourism industry should be positioned in the international market where competition is fierce, and how the development of the logistics and transport industries and their support measures can be taken forward; and internally, how to handle the problem of the local tourism industry focusing solely on the Mainland's Individual Visit Scheme (IVS) after the SARS outbreak and the series of resultant problems including "zero tour fee" or tour visitors being forced to make purchases, the Government must act promptly to tackle these problems, especially as tourism is most important among the four major pillars of the Hong Kong economy. On the other hand, the development of a cruise terminal has been delayed over and over again, and the Government has remained totally indifferent to the weird practice in the industry of forcing tourists to make purchases only for earning commissions. All these prove that the Chief Executive has not the slightest sense of crisis towards our economic lifeline. We do not see how a leader without a sense of crisis can lead us and show us the way out when we face problems.

Besides, we do not see how the Chief Executive has outlined in the policy address a blueprint for the long-term economic development of Hong Kong. It is true that there will not be considerable changes in the geographical position of Hong Kong, but the role played by Hong Kong can change every minute and second. More often than not, we can foresee many of these changes, and we can also prepare ourselves for the challenges that are expected to impact on us in the future. In this connection, what is the position of our Chief Executive?

In the policy address the Chief Executive mentioned policies more in the medium term, merely discussing for the Central Government the role that Hong Kong can play under the "11th Five-Year Plan". Frankly speaking, this is just a

regional issue. But under the globalization of the world economy, what contingent measures are there when Hong Kong face challenges in times of changes in the world economy? We must understand that even though Hong Kong holds a small edge in certain industries or areas, can the same be maintained eternally?

A case in point is, again, the tourism industry. Since the introduction of the IVS for mainland residents, the SAR Government and the entire tourism industry seem to always think that it is already enough for the local tourism if each mainlander can come to Hong Kong just once. However, this mentality is rather laughable. Let us not forget that there is a thing called reputation, especially as one evil deed of a black horse in the trade can tarnish the reputation of the entire industry. Added to this, despite completion of new tourism projects in Hong Kong in recent years, most of them can only attract the same type of tourists.

On the contrary, in respect of tourism projects most capable of attracting European and American visitors with high spending power, such as the development of eco-tourism or cultural and heritage tourism targeting cruise travellers, only very few new facilities have been completed and long-term matching facilities are generally lacking. Many attractive architecture or tourist spots finally have to give way to other developments, and this has intensified the conflicts between various industries in their development.

Although the tourism industry is but just one sector of the economy of Hong Kong, it reflects the biggest problem and that is, the Chief Executive and the entire SAR Government think that what they see now is eternal. They have not thought about making preparations for the future. Nor have they thought about how plans can be made for the future economy of Hong Kong. While this is indicative of the failure of the last Chief Executive, the incumbent cannot just cling to the mentality of totally resigning to fate and inherit failure from his predecessor.

From the last two policy addresses, we can see that insofar as the overall economic development is concerned, the Government has attached the greatest importance to how we can obtain benefits from the country and the Central Authorities. The Chief Executive takes pride in CEPA, the IVS, and so on, but he seems to remember only to leverage on the Motherland while forgetting to

engage ourselves globally. From the introduction of the IVS, the launch of the Renminbi business and the "11th Five-Year Plan", we can see that the element of the Motherland has kept on increasing. We are certainly grateful to the support of the Motherland, but Hong Kong must not and cannot rely only on the Motherland to survive or maintain the territory's economic vitality.

While we see that the stock market of Hong Kong is continuously absorbing mainland companies to go public in Hong Kong, we do not see how the Government has endeavoured to help the local treasury market attract foreign capital and foreign enterprises to list and secure financing in Hong Kong. We are a financial centre in Southeast Asia. Why can we not attract companies in Southeast Asia, especially those from places with large Chinese population to seek listing in Hong Kong? Could such a single, extrovert economy have sufficient strength to cope with changes in the external market and fend off possible attacks on Hong Kong in the future particularly under the trend of globalization? Does Hong Kong have the ability and resilience to ride out these economic risks?

On the other hand, Deputy President, a fair competition law is what the Civic Party, many Members in the pan-democratic camp and I have long been championing, and we are glad to see that the Government has finally started to conduct a review. But regrettably, the Chief Executive did not tell us in the policy address when consultation will be conducted on the introduction of a fair competition law. Nor did he provide a legislative timetable.

Unfair competition has long existed in Hong Kong. We do not wish to see unfair competition take its toll on the overall competitiveness of our economy. In proposing the enactment of a fair competition law, it is absolutely not our intention to bar anyone from taking a leading position in the market. On the contrary, the ultimate objective of this piece of legislation is to prohibit anyone from abusing his leading or dominant position in the market, which would deter other people from participating in or entering the market, or create hurdles after hurdles to make these market stakeholders suffer losses and finally leave the market. We do not wish to see major consortiums continuously employing all means to monopolize or share out the market. In fact, the economic development of many countries has proven that a fair competition law is like the rules of football matches. It will not undermine the overall competitiveness of the market and on the contrary, it can enhance the competitiveness of the market as a whole.

Deputy President, in respect of information technology (IT) and broadcasting, we consider it a correct direction to merge the many governing bodies into a new Communications Authority. The most important reason is that in tandem with IT development, the distinction between communication, broadcasting and the relevant technologies has become increasingly blurred. Our concern is when this proposal can be given effect and when the relevant legislation can be introduced to the Legislative Council for discussion. These are very important issues. Besides, we also hope that the Government can explain in detail how it will consolidate the functions and powers of the various governing bodies and how it will monitor the development of IT and broadcasting technology in various aspects in the future.

In respect of broadcasting, we hope that in the review of public service broadcasting, the Government can seriously look into the direction and role of public service broadcasting in the future. It is very important to maintain the independence of public service broadcasters and their editorial autonomy, and the decision on whether or not to broadcast certain types of programmes should not be influenced by the dictate of officials.

Deputy President, I must mention here that recently, we have noted that Radio Television Hong Kong (RTHK) seems to have become the Chief Executive's personal radio station, as there is a "Letter to Hong Kong" from him almost every month, giving the impression that RTHK has become a mouthpiece of the Government. This is saddening to RTHK. This is also saddening to the broadcasting industry in Hong Kong.

Deputy President, following the development of digital broadcasting, not only do we wish to see broadcasting channels switching to digital broadcasting, we also hope that the frequencies for public broadcasting can be increased through digital broadcasting technologies, and even if licensing will still be required, more different organizations can be absorbed to operate broadcasting services, so that there will be different channels to satisfy the needs of different communities. This is far better than the existing mode of public service broadcasting of using the same time slots to meet the needs of different communities, such as people of South Asian origin, foreign domestic helpers in Hong Kong or immigrants from these places.

Moreover, we hope that digital broadcasting can be implemented as soon as possible, rather than allowing the stakeholders to make a decision on their

own. Because this is a question of public resources and so, the Government should identify the direction and provide a timetable, rather than leaving it to the commercial operators with conflicting interests, for their decision may seek to reduce competition. We hope that the two free television service providers in Hong Kong can decide on the digital broadcasting standard early, so that Hong Kong can prepare for digital broadcasting. The Government should not ignore the needs for broadcasting in some remote parts of Hong Kong, such as the rural areas with a relatively small population. The Government should formulate appropriate policies to enhance the transmission of signals in these areas and pay attention to whether future digital broadcasting can make improvement in this respect and even solve the reception problems faced by these areas.

Deputy President, this policy address has omitted two very important issues. They were either omitted or discussed not thoroughly enough by the Chief Executive. They are the minimum wage and the so-called sales tax, or Goods and Sales Tax (GST). I personally think that minimum wage is not just an economic issue, but also a social or labour issue. In this regard, Deputy President, I hope that I can have sufficient time for my speech and so, I will speak on the minimum wage in the next session.

However, the Chief Executive made no mention of GST in the policy address and this, I think, is puzzling indeed. In fact, GST can be said as the hottest topic of discussion in the community now, and it is also of the utmost concern to members of the public. Why has the Government acted as if this issue does not exist? If the Government is genuinely committed to taking forward the reform of the tax regime, what it must face in the first place is that a sufficient amount of statistics available is entirely in the hands of the Government. If the Government wishes Members of this Council or ordinary citizens of Hong Kong to put forward practical proposals on tax reform, the first step is to provide all relevant statistics to the Legislative Council or to the public for their reference. If the Government said that we could only accept GST since no one has put forward good suggestions, then I think it would be irresponsible.

But at the same time, the Government certainly knows that as of now, about 70% to 80% of Hong Kong people are against this proposal, and almost all colleagues of this Council and all political parties are also opposed to it. What else do we still need to discuss? Or is the Government thinking that it can come up with a solution in the future and then some pro-government political parties

will suddenly make a "180-degree about-turn" to support it? If that happens, what reasons would there be for people like us who are against GST to put up opposition then? Or, will the Government simply bulldoze it through, thinking that it will obtain enough supporting votes? In fact, many people have these questions in mind, but they do not have the answers. But in the policy address, the Chief Executive conversely did not mention even one single word about this. It is indeed impossible for Hong Kong people not to feel confused.

Deputy President, all these mistakes and omissions are only indicative of the fact that the policy address has almost delivered nothing in respect of the economy. We do not see why this Council should be glad to accept this policy address. So, Deputy President, I must say with much regret that it is indeed difficult for me to support the Motion of Thanks proposed by the Honourable colleague.

Thank you, Deputy President.

MR ANDREW CHENG (in Cantonese): Deputy President, on behalf of the Democratic Party, I will speak on the part on labour matters in the policy address. First of all, I certainly wish to speak on the term "Wage Protection Movement". The so-called Wage Protection Movement proposed in the policy address is actually a Movement for the protection of low-income earners. It is a substitute, and it means that legislation will not be formally enacted on minimum wage.

This is indeed the first time that the Government responded to the labour sector and the Democratic Party on their campaign for setting a minimum wage for certain industries. But this response seems to be rather feeble indeed. How effective will this so-called Movement be? We are, in fact, gravely concerned and worried about it.

I believe there are bound to be many difficulties in the implementation of the Wage Protection Movement in future, because the Government has already stated explicitly that employers will not be forced to take part in it, and if employers do not take part in it, the authorities could do nothing at all. In the absence of empowering legislation, all that the Government could do perhaps includes the Labour Department not putting up advertisements for recruitment of security guards and cleaning workers to be paid lower than the market rate, or

keeping records of employers who pay their workers below the average market wage, which are all passive measures. How can this be any motivation and deterrence to the employers? Another example is that while the Government has earlier on reached a consensus with various trade associations and chambers of commerce on this Movement, the problem is that the majority members of these associations and chambers are major enterprises of quite a large scale. But companies in Hong Kong are mostly small and medium enterprises (SMEs). How will the authorities guarantee that the SMEs will respond positively to this Movement? How could this Movement succeed without the support of the SMEs?

Another flaw of the Wage Protection Movement is that the Government has shifted all the responsibilities to the Labour Advisory Board (LAB). From the gauging of the effectiveness of the Movement to formulating the timetable for legislation on minimum wage if the Movement is deemed a failure, all will be referred to the LAB for discussion. Deputy President, if we look at how the LAB had handled minimum wage and standard working hours, and also the recent uproar about including commission in the calculation of holidays, we can see that if the LAB is to be made responsible for the Wage Protection Movement, the Movement would only be stalled. What is unfortunate about such stalling is that at yesterday's press conference held by the Hong Kong Federation of Trade Unions (FTU) which presented a lot of surprises and unexpected developments, Mr Matthew CHEUNG said that an interim review would be conducted of the Wage Protection Movement one year after implementation, in order to obtain support from at least those three important votes from the pro-government FTU for the Movement.

As far as I can recall, whenever the Chief Executive attended a Question and Answer Session in this Chamber, he would invariably address Miss CHAN Yuen-han as "Miss CHAN" whenever he talked about minimum wage, and "Miss CHAN" would always be very happy to listen to the Chief Executive's reply patiently. But on many occasions recently, I have the impression that "Miss CHAN" was most unhappy, although she still wore a smile on her face. But her smiling face aside, the campaigns organized by the FTU outside this Chamber had been more and more drastic. Recently, they even said that legislation was the only option acceptable to them and if legislation would not be enacted, it would be the Chief Executive's wishful thinking to have the three votes from them when he seeks re-election in future. Then they said that they would seek a judicial review, and that they would, like the anti-President

movement in Taiwan, besiege the Office of the Chief Executive. Their actions were becoming more and more drastic indeed. However, as soon as they heard of an interim review, they suddenly said that they would accept an interim review. But what is this interim review all about? What will be reviewed in this interim review? What standard will be adopted in the interim review? If the Movement is found to be a failure in the interim review, will legislation be really enacted? The authorities have not explained any of these points and yet, they have accepted everything that the Government has said.

I hope that if colleagues from the FTU genuinely maintain a firm stance on labour rights, then, in the discussion on this part of the policy address today in the Legislative Council, they must give an explanation to the working public and also to people outside this Chamber who believe that they will truly defend labour rights. It is because in my view, the entire Wage Protection Movement is only a window-dressing, impractical public relations strategy used by the Chief Executive to seek re-election. If the FTU can come forth and say righteously that even such window-dressing, impractical public relations strategy is acceptable to them, I think the FTU has betrayed the rights of workers. This is like the FTU supporting the scrapping of the two Municipal Councils back in those years and also what they had done in respect of collective bargaining. I think whenever the FTU is at a crossroad, they always tend to flinch and yield to the Government, such as repealing the right to collective bargaining and scrapping the two Municipal Councils which subsequently smashed labour rights and also the "rice bowls" of many in the Municipal Councils. What they are doing now to minimum wage is a repeat of the same story.

Today, the FTU supports the Government, and the Secretary is certainly very happy because at least, he can still have the support of the FTU, a member of which is "Miss CHAN", whom his boss, the Chief Executive, mentions all the time. But honestly, to the pan-democratic camp and us in the Democratic Party, insofar as this issue is concerned, we will not accept the Government's explanation so easily over this packaged public relations strategy.

Deputy President, this is all for minimum wage, and I wish to turn to standard working hours. Although we think that the Wage Protection Movement is window-dressing and impractical, the worst is that even standard working hours — After the introduction of five-day week in the Civil Service, we have been telling the Chief Executive that five-day week will only be another form of "packaging". Without the ceiling of standard working hours, the

implementation of five-day week may only make the situation of the many "wage earners" even more miserable, because the new working hours or *modus operandi* will require them to complete their work in five days. If they work 50 to 60 hours weekly, it means that they have to work over 10 hours daily. Therefore, in the absence of legislation on standard working hours, five-day week is merely sugar-coated poison. In this respect, the Government has been completely silent, not mentioning one single word even on the legislative timetable.

I hope the Government will understand this: On the one hand, it plans to establish the Family Commission in the hope that Hong Kong people can have better family life, while encouraging child birth on the other, saying that it is best for a family to have three children. But as we have said many times before, the people are already exhausted by their work. How much of their energy is left for child birth? After the birth of their children, how much time can they spare for teaching their children? In this connection, I hope that the Chief Executive will not put forward a proposal to the neglect of other social policies and even the most central issue. I hope the Government will understand that more than 780 000 people work 60 hours weekly now. If we take into account the relatives and friends, children, husbands, wives, boyfriends and girlfriends of these 780 000 people, how many people will be affected? Deputy President, it is 60 hours. Although some people said that Hong Kong people are workaholics and that the success of Hong Kong is precisely attributed to these people, there should still be a threshold beyond which they must not push.

The Secretary and the Chief Executive often said, "We work no less than 12 hours a day." But we are not talking about people like them who hold senior positions with handsome remunerations. The Secretary makes a monthly income of \$200,000 to \$300,000, while a Member of the Legislative Council makes some \$54,000. Some people said that this \$54,000 or so should not be taken as salary, for our job has to do with public affairs. It does not matter, and it is fine even if we have to work seven days a week. However, we are talking about people who earn low wages and work long hours, people who work like a dog. They are paid only a meagre salary even though they work over 10 hours to 20 hours a day. What pleasure of life is there for them to enjoy? If this will affect their family life, the Government cannot turn a blind eye to them. So, do not use those senior civil servants with a high pay or senior executives as a shield, because these high salary earners are normally exempted from the requirements in law.

Apart from minimum wage, the Wage Protection Movement and standard working hours, I would also like to talk about the protection of labour rights. An issue raised more often by us in the Democratic Party is the mechanism of the Labour Tribunal. As we have always said, in many cases, even though the Labour Tribunal has ruled in favour of the wage earner, the wage earner still cannot recover the wages in arrears, because despite the judgement of the Labour Tribunal, some unscrupulous employers still delay the payment of outstanding wages, saying that the employees may as well file bankruptcy and even liquidation proceedings against them if they have the courage or means to do so. But we must understand that to file liquidation or bankruptcy proceedings against the employer, the employees sometimes may not be granted legal aid, in which case they may have to pay some \$20,000 out of their own pocket, but the wages due to him may only be some \$10,000 to \$20,000 or less. So, under such circumstance, the winning wage earner still gets nothing.

On this issue, we often ask the Government why it does not consider modelling on overseas legislation, such as that in New Zealand which provides that if a person fails to carry out the order of the tribunal, he shall be mandatorily required by law to enforce the order, and the government also provides one-stop services to sue the company or the person concerned until they go bankrupt or even into liquidation. The employee is not required to pay for the proceedings, and he can even turn to legal aid. There are many ideas for this to be done. But up to this moment, government actions, which are long overdue, have yet been seen. Every year, there are many such cases of injustice in which the wage earners could not recover their unpaid wages despite favourable judgement passed by the Labour Tribunal. They work long hours but they are paid low wages and worse still, wages are owed to them. It is still useless even though they had taken their employers to the Labour Tribunal and won. Think about this: In such an advanced and developed society as Hong Kong, if we fail to do our part even in this aspect of labour protection, how can we tell our next generation that this society of ours is an international financial centre and that our success is attributed to the hard work of the people?

Certainly, there are many scrupulous employers in Hong Kong, but labour protection is meant to target unscrupulous employers who are in the minority. We have seen many unscrupulous employers take advantage of the many loopholes in law, depriving workers of the reward for their sweat and toil. This is so heart-rending, and what we see before our eyes is a society and working environment without justice and equity.

Deputy President, I will stop for now. Colleagues from the Democratic Party will speak on the economy and other aspects. In respect of labour legislation, I hope the Secretary will give us a response, and through you, Deputy President, I also wish to urge the FTU to give us an explanation and even pull back before it is too late and not to believe what the Government has said about this so-called interim review. On this issue, I really hope that the more the truth is debated, the clearer it becomes, and I also hope that legislation can really and expeditiously be enacted on minimum wage for the protection of the low-income earners. Thank you, Deputy President.

DR LUI MING-WAH (in Cantonese): The Chief Executive, Mr Donald TSANG, delivered on 11 October his second policy address of his term of office. This policy address, titled "Proactive Pragmatic Always People First" is comparatively concise, and the one-hour speech of Chief Executive Donald TSANG included neither rhetorical excess nor ambitious plans for his governance over Hong Kong. He only steadily gave an account of the key policy agenda of the SAR Government, attaching importance to economic development, wealth creation, improving the people's livelihood and enhancing quality of life, and also cherishing family and social harmony. These directions, which are clear, pragmatic and desirable, are worthy of commendation.

In just several decades of time, Hong Kong has developed into an economically advanced metropolis, with economic achievements that made the world gasp in admiration. But behind the prosperity are the common social problems faced by other developed countries and regions, such as a high unemployment rate, a gap between the rich and the poor, social division, reduced momentum for upward movement in society, and various family problems. In the final analysis, most of these social problems are related to the economy, and those in Hong Kong are no exception.

Hong Kong is a mature economy. From a society with the manufacturing industry being the pillar of economy, Hong Kong has been drastically transformed into a service-based economy over the last 20 years and further developed into an international financial centre which is the envy of the world. But at the same time, the problems arising from an imbalanced economic structure have also become more and more obvious. The economy of Hong Kong has turned vulnerable, and the economic performance highly relies on

external factors. The various glossy economic indices and figures are mainly supported by cargo transshipment and industries relating to the Individual Visit Scheme of the Mainland. These economic activities will benefit only a rather limited number of sectors and cannot benefit the older generation and young people, thus resulting in many social problems.

Therefore, to achieve economic development, the Government must restructure the economy of Hong Kong, promote a new industrialization, and develop information technology, cultural and creative industries, various technologies and a high value-added manufacturing industry, thereby attracting new investments to create new growth areas and hence provide momentum for economic development, leading the economy of Hong Kong to new platforms to facilitate wealth creation and provision of more jobs. Although this was not discussed at length in the policy address, Chief Executive Donald TSANG pointed out that in order to attain the goals of his governance over Hong Kong, we must maintain the momentum of economic growth, or else this is all empty talk. It is a very important change in mindset and thinking, reflecting the importance that he attaches to economic development and we very much appreciate this. I think how Hong Kong should be led or guided in the attempt to keep up the momentum of economic growth will be a key area of work to the SAR Government in the future. In this connection, I propose that a Commission on Development of New Industrialization be established. This Commission, fully led and chaired by the Chief Executive, should be composed of government officials and representatives of the industrial sector, the business community and the academia. It should be exclusively tasked to study the planning and formulation of long-term objectives as well as concrete policies and measures, with a view to promoting the development of new industrialization in Hong Kong and consolidating the economic foundation of Hong Kong, so that our economy can maintain steady and sustained growth and to make even better achievements.

Prosperous economic development will promote social harmony, and family harmony is the important foundation of social harmony. While attaching importance to economic development, the Chief Executive also stressed the importance of consolidating family harmony. This is a new mindset. Confucian and Mencian ideologies are the backbone of Chinese traditions and culture. Chinese Confucianism stresses the importance of family, and that is why there is the teaching that a person has to cultivate himself before he can achieve a harmonious family, then he can talk about ruling a country and

ultimately head for pacifying the whole world. Traditional Confucian ethics govern the roles of family members, requiring all people to respect the elderly and nurture the young, to support each other and to help each other. This will weave a close and harmonious family web which is significant to creating social harmony and promoting social development. But given the economic downturn over the past few years, the wealth gap has been widened, unemployment has become serious, and family conflicts caused by financial problems, child abuse, wife battering and abuse of the elderly have occurred frequently, thus creating a heavy, adverse impact on social harmony. In this connection, I am glad to see that the Chief Executive has advocated the value of cherishing family and proposed many measures, which include studying the establishment of an integrated, holistic and high-level Family Commission responsible for policies and initiatives relating to family support, reinforcing services provided by the Integrated Family Service Centres, promoting and deepening various family-friendly measures, amending the Domestic Violence Ordinance, setting up a crisis support centre dedicated to victims of domestic violence and sexual violence, and strengthening the functions of the refuge centres for women. These measures will help enhance the core value of cherishing family in the community and facilitate the building up of a harmonious society.

Talents are a major resource of social development. In his policy address the Chief Executive stressed the need to adopt a more open-minded and proactive approach, in order to attract talents from around the world to participate in the development of Hong Kong. He said that the Government would continue to review the situation and fine-tune policy to expand the pool of human capital. However, in addition to the implementation of the Admission Scheme for Mainland Talents and Professionals and the Quality Migrant Admission Scheme, the Government should not lose sight of the fact that there are also local talents in various fields, and they cannot give full play to their talents only because of the lack of training institutions and channels. Now, the Chief Executive has proposed the establishment of an "Academy for Gifted Education" to specifically provide training to high achievers, with a view to unearthing the treasure of local talents in Hong Kong. This will be greatly beneficial to the promotion of diversified cultural, arts and technological development in Hong Kong in the long run.

Since taking office last year, Chief Executive Donald TSANG has demonstrated a style of governance featuring pragmatism and forthrightness, and

opened a new page for the administration of the SAR Government and also for the economy and the people's livelihood. He proposed pragmatic politics and courageously admitted that the SAR Government would stop using the term "positive non-interventionism". He strongly called for the end of prolonged philosophical debates over abstract slogans and terminology, showing his charisma and political wisdom as a leader. I hope that Chief Executive Donald TSANG can continue to uphold the principle of strong governance in his administration and take forward the economy of Hong Kong and build a harmonious society where people can live in peace and work in contentment in line with the guiding principles in the policy address. Thank you, Deputy President.

MR ANDREW LEUNG (in Cantonese): Deputy President, in the policy address delivered on November this month, economic development was put in the number one position by the Chief Executive. As a representative of the industrial sector, I am very pleased to see the commitments by the Chief Executive and the SAR Government to assisting the public in creating wealth and, on this foundation, improving the people's livelihood and upgrading their quality of living. On the whole, both the Liberal Party and I consider the policy address pragmatic and proactive.

The industrial sector has all along emphasized that, for sustainable development, Hong Kong must complement the Mainland in grasping the pace and direction of national development. The policy address has positively responded to the National 11th Five-Year Plan by undertaking to work in collaboration with the business sector, labour sector and professionals in conducting joint studies and formulate a practically feasible action plan late this year or early the next. I hope the action plan will not only answer the National 11th Five-Year Plan, but also take note of and study the development of Guangdong Province under the 11th Five-Year Plan, as Hong Kong businessmen form the largest groups of external investors in Guangdong Province. With some 80 000 production plants set up by the industrial sector alone in the Pearl River Delta (PRD), the two economies are closely connected. I hope the action plan can outline a more detailed roadmap for future development in the coming five years to ensure our economy can still, in tandem with the Mainland's rapid development, enjoy steady growth, and explore for Hong Kong businessmen new business opportunities and a way forward on the Mainland.

In respect of economic revival, not much has been said in the policy address about industrial policies. I remember I pointed out in my speech on the Motion of Thanks last year that, although Hong Kong economy was developing towards knowledge-based economy, industries were not entering their sunset days. On the contrary, as more and more Hong Kong businessmen operate factories on the Mainland and move their production lines northward, their head offices here in Hong Kong will undertake the major tasks of sales and marketing, design, product development and financial activities, and in turn propel the development of a number of services industries, such as financial services, logistics, trade, and so on, in Hong Kong. As is mentioned in the policy address, "Future competition in global production will come down to technology and design. The application of innovative technology can enhance product functions, whilst design can help promote original brand name development as well as sales." The Government will therefore earmark \$100 million over five years for the Hong Kong Design Centre. While the sector welcomes the Government's \$100 million support for Hong Kong brands, there is nevertheless concern about whether or not the additional funds of \$20 million on average a year is adequate.

According to the Government's definition, creative industries cover 11 related sectors, namely advertising, art, performing arts, design, film, music, publishing and printing, software and computing, and architecture. Although the sectors listed appear to be all-embracing, Members taking a closer look will find that traditional industries embodying design, such as fashion, toy design and home accessories, are not included. The definition of creative industries is indeed quite narrow. If the total value of traditional industries embodying design and innovative technology is included in the calculation of creative industries, the estimated percentage of creative industries in the GDP will definitely be higher than the present 3% to 4%, or even several times higher.

I firmly believe creativity and innovation will provide a broad way out for the industrial sector in future. To this end, the Government must look squarely at creative industries instead of focusing on selected sectors. The Government should continue to render full support and, through supporting education and different strata of society, provide the creative culture with more room. Over the years, I have been requesting the Government to support industrialists aspiring for autonomous innovation by considering offering them 300% tax deduction on the money they spent on product research and development (R&D), support and encourage the industrial sector to research and develop new products

to enhance the diversity of local products, assist Hong Kong businessmen in making high-end products, and enhance the competitive edge of the industrial sector in the region.

Deputy President, over the past year, I saw some concrete efforts made by the Government. With the commissioning of the five research centres sponsored by more than \$2 billion earmarked by the Government through the Innovation and Technology Fund in April this year, local industrialists can seek assistance from the centres in designing and researching new product technologies to upgrade the standard of product R&D. However, in the light of global competition, merely upgrading technology content of products is simply inadequate. We must develop our own brands. From our experience in product development, we consider brand development a natural step. Only through the Government's vigorous support and repositioning of strategies can the promotion campaign achieve double the result with half the effort.

The Hong Kong Trade Development Council (TDC) has all along assumed the major responsibility of promoting Hong Kong. Through external publicity, it has managed to build Hong Kong brands a quality and sophisticated image through its "Style Hong Kong" programme. For years, the "Style Hong Kong" trademark has been promoted in various major mainland cities, such as Beijing, Shanghai, and Guangzhou, and even Dubai in the Middle East. Different trade associations have also launched their own campaigns to promote their brands. For instance, a Hong Kong Q-Mark Scheme has been established by the Federation of Hong Kong Industries (FHKI), the Hong Kong Brand Development Council set up by the Chinese Manufacturers' Association, and the Best Brand Enterprise Award offered by the Hong Kong Productivity Council. Despite the great diversity of promotional campaigns, a comprehensive strategy is still lacking.

In recent years, the Mainland has been more proactive than Hong Kong in brand promotion. Under a brand promotion campaign launched by the Ministry of Commerce, GAO Hucheng, its Vice-Minister, led mainland enterprises and brands to Hong Kong to stage a three-day brand promotion event, in an effort to enhance autonomous innovation and nurture autonomous brands. The Ministry of Commerce has planned to spend RMB 700 million yuan to strategically nurture 300 brands over a period of three to five years to assist the brands in increasing their market shares and value-added content for export so as to enable the brands to be sold throughout the country and reach out to the world.

Most countries around the world very much encourage exports. In order to stimulate export and earn foreign exchange, a variety of assistance will be offered to related sectors. On behalf of the FHKI, I wish to raise a feasible proposal whereby the TDC would act as a centralized promotional organ utilizing funds collected from the *ad valorem* fee levied on import and export commodities for the promotion of local products. Last year, more than \$1 billion was collected, though only about \$340 million finally reached the TDC, as the remaining amount was channelled to the coffers as general revenue. This practice is not only different from those of other countries, but also inconsistent with the direction of various countries around the world of injecting resources to promote trade and business development. I believe the TDC can bring Hong Kong more economic benefits should it be allocated an extra \$100 million to \$200 million for better uses.

Deputy President, I must emphasize that it is not the intention of the commercial and industrial sectors to make taxpayers subsidize their promotional campaigns overseas and on the Mainland, because this sum of money is not general revenue. It is collected by the Government from the commercial and industrial sectors for the purpose of assisting the development of the sectors. It is not supposed to be kept passively in the coffers to meet government expenses.

The year 2007 will mark the 10th anniversary of the reunification of Hong Kong. The TDC has planned to stage events in Beijing to promote Hong Kong brands. I hope the Government can, as a pilot scheme, allocate more resources to the TDC. On the other hand, the TDC should seize the opportunities to promote Hong Kong brands in major mainland cities and explore mainland markets for Hong Kong products. At the same time, the TDC may travel to major cities in Europe and the United States to publicize Hong Kong's achievements in developing brands over the past decade, so as to achieve the purpose of vigourously promoting Hong Kong.

Deputy President, more than 90% of the enterprises in Hong Kong are small and medium enterprises (SMEs). While SMEs are still in dire straits, not a word has been mentioned in the policy address about ways to help them. As I pointed out earlier, the 80 000 Hong Kong-financed factories in the PRD are confronted by a series of problems relating to new green policy requirements, wages, upward adjustments in social security payments, manpower shortage, and so on. As the latest measure, the Central Authorities have promulgated fiscal documents which might take immediate effect to abolish the previous taxation

arrangements for processing trades, expand the banned categories of raw materials and products, with the banned categories probably to be raised substantially from nearly 100 to more than 1 400. Enterprises importing these raw materials and products will have to pay adjustment tariffs and import tariffs at an average rate of more than 12%. The combined tariff rates may even reach 29%, and added to this is 17% in capital gains tax. As there are no tax rebates for banned categories, the Shadow Margin Account of the banned categories might turn from "empty transfer" to "real transfer". The processing trades are now facing the risk of production suspension. I hope the Government can look squarely at the difficulties confronting these SMEs.

Caught in the predicament resulting from increases in rents, wages and other operating costs, SMEs in the territory can simply not share the fruits of economic improvement. I hope the Government can strengthen support and upgrade the competitive edge of SMEs to enable them to face competition from neighbouring rivals and avoid being eliminated.

Logistics and industries are closely related. In recent years, the logistics infrastructure in Guangdong Province has been developing at an alarming rate. Both the Yantian Port in Shenzhen and Nansha Port in Guangzhou are now competing directly with Hong Kong. As regards air traffic, major mainland cities, given their low cost, abundant passenger and cargo sources and rising efficiency, have been causing different degrees of impact on Hong Kong's air industry. The impact produced by the international airport in Hua Dou, Guangzhou in intercepting Hong Kong's cargos has also caused concern among the trades in Hong Kong. We cannot adhere to the decade-old method for meeting the challenges confronting the shipping industry and argue with the same excuse that we have a more frequent schedule, flights to more than 100 destinations daily, and higher efficiency, as our shipping industry has gradually been taken over by others. Looking back at Hong Kong, we find that few major logistics infrastructure projects can commence immediately. Hong Kong will lose its strengths in no time if the pace of logistics cannot be quickened. Therefore, the construction of the Hong Kong-Zhuhai-Macao Bridge must be expedited for the purpose of speeding up the shipment of cargos from the West to the territory. Under the 11th Five-Year Plan, Guangdong Province will have the Yangtze River Delta Region railway line extended to Shenzhen. Furthermore, the coastal railway in the West will extend to Zhuhai too. Hong Kong should strive for an articulation with mainland railways and divert them to the territory. I therefore hold that the Regional Express Line must be built expeditiously. We

can see that the Guangdong side has started work a long time ago, and the section between Guangzhou and Shenzhen is due for completion in 2008. Yet nothing has been done insofar as the Hong Kong section is concerned. We must therefore step up our efforts and quicken our pace. As for cargo transport, we should attract more cargos to Hong Kong, particularly those in the Central and West regions, and step up our efforts in this respect.

Deputy President, I have repeatedly emphasized that cross-boundary transport networks between Guangdong and Hong Kong call for development on both the eastern and western flanks of Guangdong. I am glad that the Government has finally responded that the construction of a control point at Liantang will be studied to enable the boundary transport networks, hitherto tilted towards the West, to be developed in a more balanced manner in keeping with the principle of "East in East out, West in West out" proposed by the Shenzhen Municipal Government for cross-boundary traffic, thus reducing the need for cross-boundary vehicles travelling from Shenzhen to Hong Kong to take a tortuous route, shortening the time required for cargo transport, and reducing costs. Despite the high-speed development of Guangdong Province, the Government will not complete its study until early 2008. In other words, many cross-boundary vehicles will still have to take a roundabout route, at least within the next two years. I hope the Government can expedite its study and put forward proposals simultaneously to enable the trades to cope with the cross-boundary transport need of the eastern flank during the transitional period.

Deputy President, clean production and green procurement are also of grave concern to me. It is a bit disappointing that the policy address has made no commitment whatever concerning these. In presenting its view to the Chief Executive last month, the FHKI appealed to the Government to promote the local recycling industry so that it can play a bigger role in waste reduction and require various government departments to put green procurement into early practice and make more use of green and recycled products. The Government should expeditiously publish a transparent green procurement policy so that the trade can make preparations proactively.

In my opinion, clean production will become the new trend in future development. The Hong Kong Productivity Council has already taken the first step. We propose to set up a centre for promotion and development of clean production in Hong Kong to take charge of training, evaluation and planning, technological development, demonstration and certification. We expect the

centre to bring Hong Kong substantial economic and social benefits, bring Hong Kong and the PRD green benefits and, more importantly, vigorously assist the development of the local green industries and services industries. The R&D results of the centre are expected to benefit the manufacturers in the PRD too. Not only can the manufacturers upgrade the skills of their employees through participating in the training programmes offered by the centre and raise the cost-effectiveness of their enterprises, sewage, electricity and fuel consumption, and exhaust emissions can also be drastically reduced as a result. Given that a total value of \$600 million can be generated by green production markets per annum, the effect of creating wealth as stated by the Chief Executive can thus be achieved.

Lastly, Deputy President, I wish to say a few words on minimum wage. Last week, I met with members of the FHKI to discuss the contents of the policy address. During the discussion, I expressed that I welcomed the introduction of a Wage Protection Movement in the form of a voluntary charter for two types of jobs, namely cleansing and security services, and I also appealed to members on the spot for their compliance. Actually, the wages offered by the majority of members of the FHKI to their cleansing and security employees are higher than the median wages set by the Government for these two types of jobs. We are therefore positive about and have confidence in this initiative. We believe the labour sector can be protected two years later, even without the enactment of legislation to mandate a minimum wage.

This Monday, all Hong Kong newspapers carried an interview in which the new Nobel Prize-winning economist, Prof Edmund PHELPS, expressed his view on minimum wage. Having studied wages and unemployment rates for the past four decades, Prof Edmund PHELPS criticized that a minimum wage will get prospective investors nowhere, and they simply have no idea how much they should pay their employees in future. The professor unequivocally pointed out that employers recruiting employees with higher costs will definitely prefer those with higher skills. Non-skilled or extremely low-skilled workers are thus doomed to be thrown out of work. Given that the fleece still comes from the sheep's back, any forms of limit on wages will surely increase consumers' expenses. Should that happen, prices will naturally rise. Is that what Members wish to see?

Whenever the issue of minimum wage is mentioned, employers will often be labelled as unscrupulous employers. I hope Members can understand that

SMEs are not unscrupulous employers. Faced with the difficulties caused by rising operating costs, they are simply powerless to, all of a sudden, raise wages substantially. Employers and employees are not confrontational. As pointed out by Mrs Selina CHOW in her speech during the first session, we should strive to seek a point of equilibrium acceptable to all in the long-term interest of Hong Kong.

Deputy President, only through ensuring the sustainable development of the economy can society live in harmony and the Government have more abundant resources to undertake work beneficial to the people, such as environmental protection, culture, education, welfare, and so on. I hope people in different strata of society can consider this carefully and make an effort in the long-term interest of Hong Kong.

With these remarks, I support the original motion.

MR FREDERICK FUNG (in Cantonese): Deputy President, according to the latest statistics published by the Census and Statistics Department (C&SD), the unemployment rate for the period between July and September has dropped to 4.7%, the lowest since mid-2001. The number of unemployed people has also fallen from 188 900 last month to 180 400 at present, with the overall employment size climbing to a historic high of 3.5 million. The latest statistics have also revealed that the monthly median wage of households has risen to \$16,100. Apart from these, a lot of economic data are moving towards growth. Even the stock market, leading at the forefront of economic performance, has scaled new heights in years in terms of total market value, turnover and various indices. In the private sector, the phenomenon of employees changing careers, changing jobs, retention by employers with high pay and headhunting has become commonplace. Even the most conservative Employers' Federation of Hong Kong, which has long made lowering the pay-rise expectations of wage earners and reducing pressure on employers as its mission, has reluctantly proposed a consolation pay rise of not more than 2.5%.

With the seemingly bright future, robust economic recovery and sustained economic growth, it is worrying that we might have forgotten the dark side of society and the unknown grass-roots workers who have been toiling in silence behind the face of prosperity of society. Certainly, no one cares about their tremendous anonymous contribution to the economy. It is all the more

unfortunate that, despite their round-the-clock toil day after day, they still cannot make ends meet. Even their basic dignity to live has been exploited by the "free market" advocated by the authorities.

From the figures published by the C&SD on the second quarter of this year, we find that the size of the working population earning less than half of the monthly medium wage, or \$5,000, still stands at 310 000. If we calculate on the basis that there are 2.31 million households in Hong Kong, with the wages of foreign domestic helpers excluded, we will find that 8.7% of the households, or 200 000 households, are earning less than \$4,000 a month. Behind all these cold figures are actually hidden tragic stories with vivid details about the extreme hardships endured by hundreds of thousands of low-income people.

Persistent inflation and the recent strong performance of Renminbi have further pushed up the prices of a wide range of daily necessities, such as canned food, meat and vegetable imported from the Mainland. Evidently, it is simply impossible for the middle class to offset the rise in inflation with their slight pay rise. As for the grass-roots people who can hold no hope for any pay rise, their hardship is even greater, and their suffering is indescribable.

On the other hand, the majority of wage earners cannot find a balance between their family life and work. As revealed in a recent survey conducted by the University of Hong Kong as commissioned by the non-profit-making Community Business, the average weekly working hours of 1 500 or so full-time employees aged 15 or above are 51.3 hours, 8% longer than the working hours provided in their employment agreements, and 25% longer than the maximum hours stipulated by the International Labour Organization. More than 80% of the respondents consider it important to balance between work and life, and they consider 6:4 the ideal ratio. However, the fact that the actual ratio between work and life has turned out to be 8.5:1.5 demonstrates that the vast majority of the employed population in Hong Kong can simply not enjoy the culture of "maintaining a balance between work and life". The so-called "family-friendly" policies being promoted exist in name only.

Generally speaking, Deputy President, this year's policy address obviously has managed to make good things even better, but offered little in the way of timely support to the needy. The Government is certainly making a fanfare of the sustained economic growth and development by putting forward the bold vision of complementing the 11th Five-Year Plan of the country.

However, there are few new ideas about measures to help the poor and disadvantaged groups. The policy address has failed to prescribe the right remedy to tackle the two major labour problems raised by me, namely working poverty and implementation of "family-friendly" initiatives.

Let me start with a few words about the Wage Protection Movement proposed in the policy address. As its name suggests, the Movement seeks to promote the implementation of a minimum wage by non-legislative means so that employers in the cleansing and guarding services sectors can decide whether or not to participate voluntarily.

Obviously, the Movement *per se* covers a very limited scope. It is extremely unfair that the policy address has completely ignored the exceedingly low wages earned by other employees with low bargaining power, such as those working in fast-food restaurants. Owing to a complete lack of binding effect in law, it is simply impossible for the Movement to deter those employers who insist on exploiting their employees with low wages. They can continue to, as usual, exploit the grass-roots workers with low wages in the name of free market, in order to lower their operating costs and make huge profits without regard to corporate social responsibilities.

Given its superficial effect and its inherent defect of weakness and feebleness, the Movement is expected to directly lead to unfair competition, as some scrupulous employers and enterprises sincere in joining the Movement will set a minimum wage for their grass-roots employees. However, in bidding for cleansing and guarding services agreements, they will naturally set their bidding prices according to the higher wages offered by them. The bidding prices offered by people who are unwilling to join the Movement or unscrupulous employers will certainly be lower. The scrupulous employers will therefore lose their competitive edge, and ultimately lose their bids. It is most ironic that scrupulous enterprises will in effect be punished for joining the Movement.

Furthermore, some bosses would play smart. On the face of it, they treat a minimum wage with servility. However, they have merely sought to drum up publicity by taking advantage of the Movement to create an image of scrupulous employers for themselves. In practice, they will refuse to honour their promises with various excuses and pay their employees wages even lower than the median wage. Nevertheless, these hypocritical employers are absolutely free from any legal liability for failing to honour their promises.

Deputy President, the Wage Protection Movement obviously can do nothing at all to protect people in working poverty. An effective fundamental solution must be to formulate an all-embracing and cross-sectoral minimum wage with a legal basis.

I hope the Financial Secretary will stop complaining that Members have kept pressing him for money and asking Members the question "where the money comes from". Deputy President, the purpose of enacting legislation to implement a minimum wage is precisely to abandon the previous practice of offering government subsidy and instead require all employers to fulfil their social corporate responsibilities by offering reasonable wages that can enable their employees to maintain a basic living. In doing so, the Government can save the allowance granted to low-income people, and the money thus saved can be used for other purposes.

Anyhow, I hope the Secretary can respond to the following three questions when he delivers his speech later:

- (a) Can the Government consider expanding the Wage Protection Movement immediately to cover all other types of occupations, as it is insisted that legislation will not be enacted in the short run?
- (b) Even if the Wage Protection Movement launched by the Government turns out to be hugely successful, and more than 95% of the cleansing and guarding services posts are offered a minimum wage, it does not mean that all people will follow this practice. What protection will be offered to the remaining 5% of the employees who have yet benefited from a minimum wage? Will the Government "ignore" them? By then, will the Government extend this successful Movement to other occupations as well?
- (c) Will the Government make preparations by promoting the Movement and simultaneously undertaking drafting of legislation on a minimum wage so that when the Movement turns out not as desired, the Government can immediately present the bill to the Legislative Council to demonstrate its determination in implementing a minimum wage, rather than using the Movement as a delaying tactic?

Deputy President, it must be emphasized that the "family-friendly" policies, which are beneficial to the labour sector, do not involve purely welfare, or an act teased by the business sector as "handing out money". The "family-friendly" policies cover an extensive scope, including labour policies, housing, urban planning, population policies, the tax regime, culture, education, and so on.

In brief, the Government must play the leading role in formulating initiatives conducive to family health and sustainable development in various policy areas and, through the matching efforts by the business sector, foster a working environment conducive to a balanced family life. As with the "system for evaluation of the wealth gap" advocated by the Hong Kong Association for Democracy and People's Livelihood (ADPL), the authorities should, during the formulation and before the implementation of any policies, evaluate from the "family-based" angle and principle the impact of the policies on families, and led by the notion of improving family conditions, revise policies detrimental to families before they are implemented.

Deputy President, from the ADPL's experience in striving for the implementation of family-friendly policies, we can visualize right before us two mountains which often make the reality and expectations go in two opposite directions.

The first mountain standing in the way is the conservative mentality of certain people in the business community. Actually, a lot of overseas studies have pointed out that a family-friendly working environment will not only enhance the performance and sense of belonging of employees, but also improve corporate images and enhance the competitive edge and ultimately help enterprises increase their profits. However, the attitude of enterprises in Hong Kong is most conservative. The deeply-rooted notion of "caring only for profit" has completely dominated the development of the entire labour market. Although the enterprises euphemistically describe themselves as being "pragmatic" or "maintaining the competitive edge", actually they merely care about "immediate benefits without any principles, and take no notice of long-term development and planning".

Under such circumstances, employers are only concerned about burning out the energy of their employees in the shortest possible time with the highest possible speed. Who will care about the family life and the mental and physical

health of employees? Wage earners in Hong Kong have always been praised for their diligence, flexibility and adaptability. They would even sacrifice their family life for their work in order to make tremendous contribution to maintaining Hong Kong's competitive edge. However, no one bothers to find out the prices thus paid by individuals and society. Deputy President, should wage earners be treated harshly and made to endure the tortures brought about by long working hours in order to maintain Hong Kong's competitive edge? Can work and happy family life not co-exist?

Therefore, the ADPL urges the business sector to abandon their conservative way of thinking, discharge their corporate social responsibilities, improve the mode of work for the labour sector, foster a family-friendly working environment by, for instance, providing offices at home, flexible working hours, a five-day work week and child-care services at workplaces, and support the Government enacting legislation to formulate standard working hours, prescribe paid paternity or parental leave, and so on.

Deputy President, the other mountain standing in the way of implementing family-friendly policies is the Government itself. All along, the Government has blindly worshipped the concept of "free market" or acted in an even more extreme manner than western capitalists. Its belief that the less regulation the better for the business community has even led to its indifference to the exploitation of workers. Actually, most countries in the world have drawn up varying degrees of regulation for minimum wage and working hours and laid a foundation for family-friendly policies. Restrained by the principle of "big market, small government" and owing to the opposition from people with vested interests, the Government is reluctant to enact legislation on family-friendly policies and formulate timely and appropriate measures.

Although the Chief Executive has in the policy address stated that the Government will "study ways to promote and deepen various family-friendly measures", the proposal is empty and lack of substance. In the absence of "financial incentives" and "legislative support", I cannot at all see any changes in the thinking of the Government.

For instance, Deputy President, over the years, the ADPL has been vigorously promoting paternity leave in the hope that paternity leave can be established as a family-friendly initiative. When I raised a related question early this year, I was given this reply by the Government: "Most companies in

Hong Kong are small and medium enterprises. As their inflexibility in manpower deployment is relatively low, enacting legislation to introduce paternity leave will increase their operating costs". The reason offered by the Government is purely commercial. As I will raise similar questions during the next two meetings, I hope I will not be given the "model" or "duplicate" responses as those received by me a couple of years ago.

Deputy President, in order to take forward family-friendly policies, the business community and the Government must radically change their way of thinking and refrain from acting in a short-sighted manner. The long-term interest of society and the principle of sustainable development must be taken into joint consideration. At the same time, the Government must not forget its bounden duty. The principle of "big market, small government" is not a golden rule that cannot be changed or broken. On the contrary, the Government should explore and implement a policy as long as it can serve the objective of protecting the basic livelihood of the people and enabling them to work and live in peace and contentment and is conducive to long-term development.

Lastly, Deputy President, I still wish to say a few words on the reorganization of Policy Bureaux during this session. From the very beginning, the ADPL has expressed its views on the reorganization of Policy Bureaux to the Government. In the consultation carried out by the Chief Executive on the policy address this summer, the ADPL raised the same requests, including setting up a single Policy Bureau to co-ordinate and take charge of all tasks relating to labour affairs, establishing an environmental protection bureau and culture bureau, and so on. I have explained to the Chief Executive the reasons, so I will not repeat them here. Regrettably, all the past policy addresses have never responded to the request of reorganizing existing Policy Bureaux or setting up new Policy Bureaux. There is no exception this time. In particular, when I raised a relevant written question last week, I was given the shortest ever reply as far as I can remember, or I may say there was no reply at all. Perhaps the Chief Executive would like to raise the issue of reorganizing Policy Bureaux, as a breakthrough response, when drafting his election platform in the future. However, the reorganization of the Economic Development and Labour Bureau is a matter of great urgency. The Government must look at this squarely so that related labour tasks can be better co-ordinated and resources more effectively distributed and utilized.

Deputy President, I so submit.

MR CHAN KAM-LAM (in Cantonese): Deputy President, the contribution of the individual visit policy to Hong Kong's overall economic development and consumer market has long been indisputable. The Democratic Alliance for the Betterment and Progress of Hong Kong (DAB) welcomes the Central Government's decision to further expand the Individual Visit Scheme, starting from 1 January 2007, to cover five more mainland cities including Hebei, Henan, and so on. This move has once again manifested the Central Authorities' vigorous support for Hong Kong's economic development. Despite the national backing, however, the local tourism industry must strive for continuous self-improvement before it can continue to realize its effectiveness.

The tourism industry is one the major economic pillars in Hong Kong. Over the years, the SAR Government has injected a lot of resources in terms of policy or provision of tourist spots, as a manifestation of the great importance it attaches to the local tourism industry.

However, a spate of recent complaints by mainland tourists has exposed the long-standing problems in the industry. According to the figures published by the Travel Industry Council of Hong Kong (TIC), more than 10 non-compliant travel agencies were fined more than \$200,000 in total by the TIC in the past two months. Some incidents of non-compliance involve the delivery of services not meeting the advertised descriptions or guiding services not in compliance with the agreements, with many of the cases involving repeated offenders. Of the recent complaints involving mainland tourists, the most prominent one involved a tour group from Qinghai being abandoned by its tour guide because the tour group members had not made enough purchases. The incident has again aroused concern about the problem of zero-fare tours.

Actually, it was not the first time members of zero-fee tour groups were forced to make purchases in Hong Kong. This problem has existed in the industry for a long time. In the past, tour guides would, at the most, persuade tourists by all possible means to purchase goods. Recently, their tactics had worsened to such an extent that tourists were even brought to Wo Hop Shek or abandoned at Kowloon City Pier. This reflects that the integrity problem of a few travel agencies or tour guides can no longer be tolerated.

We think the TIC has done the right thing by, for the first time, taking stringent measures to punish the guide of the Qinghai tour group with a two-week licence suspension and issue a warning letter to the travel agency in question.

However, we consider the TIC has not been tough enough. The authorities concerned must spare no efforts in combating black sheep of the industry with harsh punishment as a warning to others. If these perpetrators continue to be spared, the hard-earned reputation built up by the Hong Kong tourism industry will eventually be destroyed.

(THE PRESIDENT resumed the Chair)

To impose punishment after incidents have occurred is only a stop-gap measure. The authorities concerned must identify and address the problem at root prescribe the right remedy and take proactive initiatives to rectify the bad practices within the industry. As the saying goes, the mantis preying on a cicada is unaware of the oriole behind it. The Government must play the role of the oriole as the ultimate guardian of the reputation of Hong Kong's tourism industry.

Following the earlier statement by the Shanghai Municipal Tourism Administrative Commission of boycotting zero-fee tours, the tourism industries in Hong Kong and Guangzhou have recently signed a memorandum specifying that a one-day tour to Hong Kong should charge no less than RMB 98 yuan. To upgrade the standard of travel agencies and enhance quality assurance, any of the 24 travel agencies in Guangzhou found breaching the rule will have its name made public and punished with point deduction. In our opinion, the commitment made by Guangdong and Hong Kong on a minimum tour fee marks a perfect start for the two places to jointly resolve the problem of zero-fee tours.

It has been learned that the TIC is liaising with the tourism commissions in Beijing and Shanghai to discuss the setting of a standard for minimum tour fees. Here, we would like to urge the relevant government departments and organizations to expedite the discussions and take the initiative to communicate with mainland tourism commissions for making joint efforts to identify more effective measures to resolve the problems at root. In addition to enhanced co-operation with the Mainland, the local tourism industry must exercise strict self-discipline by jointly refusing to receive zero-fare tour groups so that these tour groups can no longer operate.

Besides, some local travel agencies have also raised the point that the Government should communicate with various sectors of the tourism industry in

the hope that only one shopping destination will be arranged for every tour group in its itinerary, so that tour guides can provide guiding services wholeheartedly. Furthermore, enforcement actions should be taken against "over-charging" shops to safeguard the creditworthiness and integrity of the retail markets and enable the territory to truly live up to its reputation as a "shopper's paradise".

According to the statistics of the Immigration Department, the number of mainland visitors to Hong Kong stood at only 310 000 during this year's National Day Golden Week, representing a fall of 6% over the 330 000 recorded in the same period last year. Meanwhile, the information of the TIC revealed that the number of complaints lodged by mainland tourists shopping in Hong Kong exceeded 400 in the first eight months of this year, about 100 more than the total recorded in the whole of last year. The number of complaints involving poor attitude of tour guides and misleading tourists in shopping also exceeded 70, representing an increase of 30 or so over the same period last year. Various data have all pointed to the fact that the problem of mainland tourists being forced to make purchases must be resolved urgently. The Government, being widely receptive to public opinion, must seriously listen to the views of the industry and map out counter-measures after carefully studying their feasibility.

In addition to complaints about shopping, hotel room charges are another factor deterring overseas tourists. Following the further relaxation of the Individual Visit Scheme, it is anticipated that the number of mainland tourists to Hong Kong will see a substantial rise in the next few years. However, we still can often see hotel room charges in Hong Kong fluctuate sharply during peak tourist seasons. The sharp fluctuation in hotel room prices is fundamentally caused by inadequate supply. To provide a radical solution, the Government must make forward-looking planning in anticipation of a sharp increase in demand.

According to the statistics of the C&SD, the number of tourists to Hong Kong stood at 13.05 million and the number of hotel rooms at 41 491 in 2000. In 2005, the number of tourists to Hong Kong rose to 23.36 million, and yet the number of hotel rooms was 48 891 only. In 2006, 27 million tourists are expected to visit Hong Kong, and yet the number of hotel rooms will still not exceed 50 000. Within six years, the number of tourists has increased by 13 million person trips or doubled, and yet the increase in hotel rooms is less than 10 000 or 10%.

The other day, in his reply to my question, Secretary Stephen IP mentioned that 10 000 hotel rooms would be completed in the next two years. As Members should already know, the number of tourists might reach 30 million by then. The Chairman of the TIC told us in the TIC annual reports of 2005 and 2006 that 11 728 hotel rooms were expected to be completed in the next two years. However, only 6 347 hotel rooms have actually been completed. It is because the Government's high land price policy has resulted in the shifting of some hotel projects to other investment programmes. Hence, we can see from these figures that hotel rooms will still be in very short supply in the next several years. The DAB urges the Government to adopt effective measures to encourage investors to build hotels and other support infrastructure for tourism in a bid to bring the supply of hotel rooms closer to a balanced level.

The DAB welcomes the planning brief of the proposal unveiled yesterday by the Government of developing a cruise terminal on the old Kai Tak Airport site and hopes that construction of the terminal can commence expeditiously. During the decade-long consultation on the development plan of Southeast Kowloon, a lot of public opinions were already taken on board by the Government. Thus, a decision should have been made a long time ago. Not a few members of the public also expressed a long time ago some misgivings about the repeated consultations that had dragged on endlessly, thus resulting in the 328-hectare precious site lying idle under the sun. For these reasons, the DAB vigourously supports the Government's plan to expedite the construction of the cruise terminal and propel the development of Southeast Kowloon. Despite the successive commissioning of cruise terminals in such places as Singapore and Shanghai, Hong Kong is still indulging in empty talk. Should Hong Kong continue to waste time and engage in discussion without decision, and make decision without implementation, it will, as pointed out by critics in the community, ultimately be reduced as an en route port rather than a "mother port" for cruise tour.

Furthermore, we consider it vitally important for the world-class cruise destination to be equipped with comprehensive matching transport facilities. We therefore request the Government to formulate a timetable expeditiously for the construction of a triple-function bridge linking Kwun Tong and the end of the airport runway, and a monorail in the district to link up the whole Kai Tak area. In view of the growing importance of tourism to Hong Kong's overall economic development, the DAB hopes the Government can make long-term development plans for the planning and regulation of tourism with a far-sighted and pragmatic vision.

President, in this year's National 11th Five-Year Plan (FYP), the country has, for the first time, included Hong Kong and Macao in its overall development framework and stated clearly that it will support Hong Kong in developing financial services, logistics, tourism and information services. It would also continue to maintain Hong Kong's status as a financial, trade and shipping hub. To this end, the SAR Government convened an Economic Summit entitled "China's 11th Five-year Plan and the Development of Hong Kong" last month to discuss how Hong Kong could tie in with the National 11th FYP.

Basically, the various proposals made in connection with the development direction stated in the concluding remark after the summit meeting are correct and fully reflect the demands already raised in the market a long time ago. However, these proposals have all been conceived from the angle of self-interest. They have failed to truly tie in with the National 11th FYP by proposing how Hong Kong can contribute to the country in the financial domain and move in the new direction of complementing the functions of other financial markets on the Mainland.

Autonomous innovation is one of the key strategies of the financial reforms currently carried out on the Mainland. Even the Governor of the People's Bank of China, ZHOU Xiaochun, earlier proposed to encourage the financial services industry to, during the implementation of the 11th FYP, dial up its vigour in innovation in terms of systems, institutions and products in the light of China's new tide of reform and opening for the purpose of integrating financial risks prevention and financial innovation incentives to enhance the stability of the Mainland's financial services industries and enable the industries to make due contribution to the "innovative country", due for completion in 2020 under a proposal made by General Secretary HU Jintao.

In this connection, the DAB considers it a major financial mission for Hong Kong, as a key international financial centre, to consider how it can assist the mainland financial market in innovation and bringing its reform to yet another new stage of financial development in the next five years.

For historical reasons, the development of China's financial services still relies heavily on banks. With the market value of shares in circulation on the market amounting to less than \$2,000 billion, more than \$30,000 billion in assets are being held in banks. The products of the capital market should therefore

have enormous scope for innovation. The futures market of China is also under development. At present, futures on the Mainland are mainly commodity futures, not financial futures. Actually, ZHOU Daojiong, Chairman of China Financial Committee, has earlier pointed out in particular that the reform of desegregating shareholders' rights has basically been completed, thus removing obstacles to the implementation of stock index futures. With the formation of a mechanism for RMB exchange rates, the expedition of the application of market principles to interest rates, and the fluctuations in the financial market, the Mainland's financial futures market also face new historic opportunities. Relevant bills will also be introduced soon. Furthermore, for some mainland enterprises and private enterprises relying on foreign exchange to preserve value, forex futures have proved to be quite attractive.

For the vast majority of China-financed banks, product innovation at this stage does not merely imply the development of new financial products. A more practical approach is to introduce some quality financial products in mature markets that meet the prevailing needs on the Mainland into the mainland market. In particular, it should be noted that the development of intermediate services playing a key role in mature markets, such as private banking business and exchange and credit services, will raise the ratio of non-interest proceeds for banks.

The future direction of development of mainland banks lies in innovation in operation and management, including shifting from the present operating structure of unitary banking service to integrated financial services, from being dominated by wholesale business to placing equal emphasis on wholesale and retail businesses, and from being led by interest margin proceeds to a balanced development of interest margin proceeds and non-interest margin proceeds.

All these represent the general profile of the rapid development of the Mainland's financial market. The SAR Government should systematically map out ways to capitalize on its own strengths to complement the Mainland's financial market in relation to its market projects necessitating development, innovation and deepening with a view to fostering a mutually beneficial relationship while ensuring Hong Kong's maintenance of its dominant status as an international and regional financial hub. These are our views on the economic and financial domains.

Thank you, President.

DR PHILIP WONG (in Cantonese): Madam President, the policy address delivered by the Chief Executive days ago is compatible with Hong Kong's actual circumstances and its general thinking is desirable. The Chinese General Chamber of Commerce (CGCC) will fully support the SAR Government in implementing the relevant policies.

First of all, the policy address has not only acted in conformity with public opinions by setting economic development as its priority task, it has also answered the aspiration of the CGCC. At the same time, the policies highlighted in the policy address, namely "cherishing the family" and "quality environment", will certainly help construct a harmonious society and ensure the sustainable development of Hong Kong.

The priorities of administration set out in the policy address demonstrate the Government's emphasis on bringing Hong Kong's strengths into full play and the importance attached to the nurturing and utilization of talents to enable Hong Kong to succeed amid competition resulting from globalization.

The financial services sector is vitally important to Hong Kong economy. The policy address has made a number of recommendations, including amending rules to encourage more enterprises to seek listings in Hong Kong, enhance our regulatory regime, strive to expand RMB business, develop the commodity futures market, and attract to Hong Kong some of the offshore investment business of mainland insurance agencies, and so on. All these are feasible measures for consolidating Hong Kong's status as an international financial hub.

The Individual Visit Scheme is one of the support initiatives taken by the Central Government. The expansion of the Scheme to cover five more cities starting from next year will undoubtedly add impetus to tourism and other industries in Hong Kong. In my opinion, the Government and the tourism sector should act proactively to develop more attractive scenic spots and diversified itineraries with a view to further upgrading the quality of service and safeguarding Hong Kong's reputation as the "Pearl of the Orient", and enhance the economic and social effectiveness of the Individual Visit Scheme.

The policy address has also mentioned the Government's support for autonomous innovation and creative industries. In my opinion, Hong Kong should take pride in the contribution made by enterprises over the years by

creating a number of brand-name products and reputable trademarks and driving export trade. The Government should allocate more resources and introduce concessionary initiatives to help, nurture, encourage and promote these brands to expand the mainland and international markets. I am convinced the investments made by the Government in this area will reap considerable returns.

On the issue of minimum wage, a focus of concern to all sectors, the policy address has acceded to the proposal of the Labour Advisory Board (LAB) to implement a minimum wage at this stage for employees in the cleansing and guarding services sectors through a charter, instead of legislative means, and review the results in two years. This approach is more pragmatic in my view, for it can take care of the interest of grass-roots workers and create job opportunities while honouring the autonomy of enterprises and safeguarding a free and liberal business environment. The CGCC will publicize the relevant scheme to its members and encourage them to sign the charter and join the Government in keeping the implementation of the charter in view.

A relatively prominent problem in Hong Kong's economic development at present is caused by the fact that public investment has been hamstrung by such factors as political disputes. As a result, some major infrastructure projects have progressed very slowly or even failed to commence. In my opinion, major infrastructure projects can not only boost employment, improve the business environment and upgrade the quality of life, it can even enhance Hong Kong's competitive edge and act as the locomotive that pulls Hong Kong's economic development. If Hong Kong is really to fully complement the National 11th Five-Year Plan and better integrate with the Mainland, it must expedite the commencement of more major infrastructure projects (including cross-boundary infrastructure). I hope the Government can enhance its communication with all sectors of the community and work closely with relevant departments to expedite the approval and commencement of major infrastructure projects.

Second, social harmony is not only an integral element of economic development, it also represents the general aspiration of the public at large. Our continued economic growth has laid a solid foundation for nurturing social harmony. The Government must listen attentively to the calls of the masses in order to resolve the deep-rooted conflicts in society, and strike a proper balance between vigorous economic development and laying more emphasis on the people's livelihood. I am very pleased to note that the policy address has

proposed a number of "people-based" initiatives, including subsidizing early childhood education, boosting family assistance, expanding community services and strengthening environmental protection from various sides with a view to ameliorating pollution. These initiatives will boost the solidarity between various strata and groups, thus producing a positive impact on fostering social harmony.

On constitutional development, it is pointed out in the policy address that some progress has been made in promoting the relevant study and discussion, and I would like to applaud the SAR Government for this. The sustained and healthy development of the political system crucial to Hong Kong's long-term stability. The CGCC will continue to support the SAR Government in widening its consensus with all sides in accordance with the Basic Law and Hong Kong's actual circumstances with a view to achieving the ultimate goal of universal suffrage in a gradual and orderly manner.

Lastly, I would like to point out that we should appreciate and support the Chief Executive's emphasis on the tasks he is capable of accomplishing during the brief remainder of his term. Regardless of who will become the Chief Executive of the next term, members of the public invariably expect the incumbent Chief Executive to act proactively and pragmatically by seriously considering and drawing up a clear plan for Hong Kong's long-term development with a strategic vision to address ways to promote technological development and the upgrading and transformation of industries, ways to deal with various difficulties and risks possibly arising in the future, and ways to resolve matters of interests, which are the most direct and practical issues of the utmost concern to the public at large.

Madam President, I so submit.

MR FRED LI (in Cantonese): Madam President, in relation to economic affairs, I would like to talk about the tourism industry, rights of the tourists and the public utilities, and so on. I hope the Secretary can stay focused and listen to my speech.

The tourism industry is one of the major pillars of the economy of Hong Kong. Since the implementation of the Individual Visit Scheme (IVS), the number of mainland visitors has kept increasing. Apart from the economic

benefits they bring to Hong Kong, these visitors have also contributed to the gradual recovery of the aviation industry, the hotel industry, the retail industry and other related industries. As I read through the policy addresses published over the past few years by the two Chief Executives, I found both of them had strongly advocated the development of Hong Kong's tourism industry and regarded it as a major direction of the future economic development of Hong Kong.

In January 2005, the then Chief Executive, Mr TUNG Chee-hwa, said that Hong Kong should strive to consolidate the competitive edge of our tourism industry and offer consumer protection for visitors. In the policy addresses he delivered in October 2005 and this year, the Chief Executive, Mr Donald TSANG, reiterated that the Hong Kong Government supported the development of the tourism industry and said that more mainland cities would be covered by the IVS.

Undoubtedly, the tourism industry is gaining importance in the development of Hong Kong. The number of mainland visitors coming to Hong Kong during the first eight months of this year reached approximately 9.27 million, representing an increase of more than 12% over the same period of last year. Unfortunately, although more and more mainland cities are covered by the IVS, and the total number of visitors keeps increasing on a yearly basis, these reflect only superficial growth in terms of quantity. In the meantime, the "quality" of Hong Kong as a major tourist city has been diminishing. According to the ranking table on the world's best tourist cities for the past year released by *Travel & Leisure*, a travel magazine in the United States, Hong Kong ranked fifth among Asia's best tourist cities, as compared to its third place in the preceding year. This is the first time for Hong Kong to be excluded from the top three places in the Asian region category. Meanwhile, during the "golden week" of October which has just passed, the number of mainland visitors dropped by 7% as compared to the figure of last year.

Hong Kong has enjoyed the good reputation as a shoppers' paradise as well as the Pearl of the Orient. Our tourism industry has been famous for its high efficiency and sincere customer service. However, during the past few years, the general situation has taken a turn for the worse. We may lose the reputation as a shoppers' paradise as a result of the introduction of Goods and Services Tax (GST), if the proposal is passed. The Pearl of the Orient may cease to look radiant as a result of serious air pollution. Our tourist attractions will lose their glamour due to bad management. Although local film star Andy

LAU urges members of the tourism industry and the retail industry to be friendly and helpful towards our customers, our reputation has already been tarnished by those travel agencies and tourist guides of questionable quality.

The introduction of GST will substantially increase production and operation costs of the retail industry and that will dampen consumer sentiments. When clothing, foods, housing and transport are all subject to additional taxes, the cost of visiting Hong Kong will also increase substantially, and the tourists may choose to visit other cities instead. From the perspective of the tourism industry, GST is a disservice to the Government's policy of supporting the tourism industry.

On the other hand, severe air pollution has turned the Pearl of the Orient into a dull and lacklustre pearl. As indicated by statistics, Hong Kong is plagued by low-visibility for almost half of the time in a full year. Many visitors have also complained that regardless of whether they were admiring the magnificent view of Hong Kong from the Peak, or enjoying "A Symphony of Lights" at the harbour-front of the Victoria Harbour, the views are always obscured by a blanket of haze formed by a layer of pollutants.

We certainly support the government-advocated "Action Blue Sky". But we demand that the Government should make it mandatory for drivers to turn off idling engines by way of enacting legislation in order to reduce continual air pollution caused by vehicle emissions.

The Secretary must also be aware that the pollutants emitted by the two power plants are the major culprits causing air pollution. We agree that a more stringent mechanism governing the emission of pollutants should be put in place when the Government negotiates the scheme of control agreements with the two power companies in 2008. The rates of returns should be pegged to a mechanism governing the emission of pollutants by all means, so as to ensure that both power companies will step up efforts to reduce air pollution.

Insofar as our tourist attractions are concerned, during the past year, the Hong Kong Disneyland has displayed a number of inadequacies in management. The Ngong Ping 360, which has been operational for just one month, has experienced seven incidents of breakdown and temporary suspension of service. When breakdowns took place, the management failed to notify the public in the first instance, which exposed the existence of administrative confusion and

black-box operation. Whenever Chief Executive Donald TSANG responds to questions raised in connection with problems of these major tourism projects, he would invariably reiterate that the Government should not exercise intervention and supervision over them.

The Government has really provided a lot of assistance and investments in the hardware of the local tourism industry, such as allocating land and huge amounts of capital. The Disneyland is a classic example. In the aspect of supervision, we can also identify some problems. One of the recent hot topics, which is also a common topic among Members of this Council, is about the "zero-fare" tours, in which visitors are forced to spend money on shopping. Incidents like this are, in fact, just the tip of the iceberg.

Since early 2006, four collective complaints have been lodged in a high-profile manner by mainlanders visiting Hong Kong, the details of which I would not repeat here. They came from different places such as Guangzhou, Qinghai and Sichuan, but they were all stranded at Kowloon City Ferry Pier. Some visitors were denied access to hotel rooms, while some were asked to pay additional fees for visiting the Avenue of Stars. Frequent occurrences of such incidents, coupled with numerous complaints, have attracted widespread press coverage from domestic as well as international media. All this has effectively made Hong Kong a laughing stock.

With regard to the causes of these incidents, in my opinion, if we simply shirk the responsibility to tourist guides or travel agents, it will not shed any light on the real causes of the problem. The travel agents of Hong Kong will allocate mainland tourists to the tourist guides on a "per head" basis, and the tourist guides will try to recover the costs from the shopping expenses of these visitors. Since the tourist guides do not receive any payment from these "zero-fare" tours, it will result in visitors being forced to spend money on shopping, or the tour groups will be left unattended. In fact, as far as I understand it, among Hong Kong's outbound tours, there are also shopping tours which charge very low tour fees. For example, a five-day shopping tour to Seoul, South Korea, inclusive of accommodation and food, only costs a traveller \$2,000 or so. These tours make fewer visits to tourist attractions but have more shopping activities such as buying ginseng and cosmetics, and so on. But the point is, even if the tourists do not buy anything, they will not be denied access to hotel rooms nor will they be left unattended somewhere. The tourist guides may not be smiling heartily, but they will not pull long faces either.

Now our problem is, we have these problems with the mainland tour groups. Although the Government has expended enormous resources to promote the tourism industry and launched extensive publicity campaigns in the Mainland to promote Hong Kong, the news of these infamous "zero-fare" tours or "negative-fare" tours spread like a blaze, and mainland media often criticize Hong Kong people as exploiting "compatriots".

Several years ago, I talked to Mrs Rebecca LAI, who was still working at the Tourism Commission at that time. I asked her to review the regulatory regime of the tourism industry from both the short-term and long-term perspectives. The major problem of the industry is that it relies on the self-regulation regime within the industry. It is a trade organization primarily made up of travel agents that is responsible for supervising all travel agents. A travel agent is not allowed to conduct business unless it is registered with the Travel Industry Council of Hong Kong (TIC). Furthermore, the TIC has the power to revoke the licence of a travel agent and impose punitive measures on travel agents. As a matter of fact, the travel agents are supervised by members of their own industry, and this is where the problem lies. Now the tour guides and the travel agents are pointing fingers at each other, but the TIC only punishes the tour guides. This is the problem that I want to point out. The Government must set up an independent statutory body similar to that of the Estate Agents Authority with the majority of its members appointed from outside the industry. The Estate Agents Authority was set up by way of legislation. Over half of its members are persons appointed outside the real estate agent industry. It is responsible for issuing licences to estate agents and supervising estate agents to promote greater professionalism among them and to ensure that they carry out their duties properly.

Now we have a problem. In the past, we denounced real estate agents obtaining commissions through deceitful means as unscrupulous. But now maybe we should denounce travel agents or tour guides cheating our compatriots as unscrupulous as well. But these practices will jeopardize the development of Hong Kong's tourism industry. Currently, the framework of supervision is provided for by the Travel Agents Ordinance. The Tourism Commission and the Government are responsible for carrying out supervision. However, the Government actually supervises the operation of the industry through the TIC. If the TIC proposes that the membership of a certain member should be revoked, its licence will then be revoked. Yet, as far as I understand it, it seems that this

has not happened before. Therefore, our observation is that the Government is actually only responsible for vetting the issuance of licences, which is a very passive approach indeed. The responsibility of supervising the operators was actually left to the TIC. However, as illustrated by the facts, the self-regulatory regime of the TIC has proven to be a failure. The TIC is now on a standoff with some trade unions of the tour guide profession. It is also being accused of showing favouritism towards its affiliated travel agents. When the TIC is no longer seen as just and impartial, it is hard for it to assume the role of exercising supervision impartially. Now given that this is a council formed by members of the industry themselves with just a handful of government-appointed members who are said to represent the public, how can the public be convinced that it can remain fair and impartial in balancing the interests of the travel agents and the rights of consumers completely without prejudice or showing favour to the interests of the travel agents? This would be very difficult. And judging from the current circumstances, it appears to be a failure. Therefore, in my opinion, an effective short-term solution is to make the Tourism Commission directly responsible for supervising the industry. As a matter of fact, in many countries and regions, the tourism industry is directly managed by the Government.

In the long run, the Government should draw reference from the model of the Estate Agents Authority and set up an independent statutory body to supervise travel agents and tour guides, in furtherance of the overall government policy of promoting the tourism industry of Hong Kong. In fact, both the industry and the Government are well aware that we should not say that the "zero-fare" tours exist because mainland tourists are penny-pinching. As a matter of fact, many mainland citizens, particularly those living in the remote areas of China who have never been to Hong Kong before, are very interested in joining these "zero-fare" or "negative-fare" tours. We should not say that they have only themselves to blame, should we? Or should we say that they deserve to be ill-treated simply because they are not "shopping"? Studies should be conducted on how we should impose regulation in this area.

Of course, we hope that the Government, the present TIC and the relevant authorities in the Mainland can make sure that In fact, if the mainland authorities can regulate mainland travel agents that offer "zero-fare" tours, to the effect that no such tours will be organized to visit Hong Kong, it would, in my opinion, be helpful in some measure. Now, can the TIC regulate the travel agents that receive "zero-fare" tours organized by mainland travel agents? Can

it prohibit travel agents from receiving these "zero-fare" tour groups? It all requires co-operation by the different parties to curb the current irregularities.

Madam President, let me switch to another topic. I would like to spend a little time on talking about the public utilities. The Secretary is well aware that Members of this Council as well as the Democratic Party keep a keen interest in the next round of negotiations between the Government and the two power companies with regard to the renewal of their scheme of control agreements next year. The negotiations should be underway now. We expect the Government to give a briefing to this Council in due course, so that we can play a role in the negotiation process. We also hope that the Government can uphold in interest of the public and fight for downward adjustments in electricity tariffs. We hope the Government can put in great efforts to pursue this for us.

On the other hand, with regard to a fair competition law, the Chief Executive stated in the policy address that the next round of consultation would be conducted shortly. We have made it clear that we welcome the report submitted by the Competition Policy Review Committee, that we fully support this and hope that this consultation can be conducted as soon as possible. Furthermore, we very much hope that the Government can give a clear timetable to the public and the business sector so that everybody will know that the Government is determined to address the problem of anti-competitive or monopolistic conduct in Hong Kong. Should such conduct really take place, the Government should act resolutely in tackling them.

Madam President, if the Government continues to adopt a *laissez-faire* policy towards the tourism industry with regard to their professional ethics and operation, it will be futile no matter how much funding is allocated to the Hong Kong Tourism Board for promoting the tourism industry in Hong Kong. Should this happen, the future of the tourism industry will be bleak, because the negative publicity will deal very serious blows to the tourism industry of Hong Kong.

I so submit.

MR DANIEL LAM (in Cantonese): In this year's policy address, the Chief Executive has expressly pointed out that one of the key areas of work is

economic development. To achieve stability, harmony and development is the consensus of most Hong Kong people and the earnest expectation of the Central Authorities of us. The Heung Yee Kuk fully concurs with the Chief Executive's statement that "To attain these progressive goals, however, we must keep up the momentum of economic growth, otherwise this is all empty talk and we shall lack the resources to make things happen."

Land is a very precious economic resource in Hong Kong. However, thousands of hectares of lands at the frontier are designated as closed area, frozen and left idle for a long period of time. It is certainly a great economic loss because our precious resources cannot be put to good use. Recently, the Government has eventually responded to public opinion and agreed to abandon the outdated measure by slashing the size of the closed area. This is a most correct decision indeed.

Madam President, in the opinion of the Heung Yee Kuk, the Government should treat this as an urgent matter and deal with it as a matter of urgency in order to seize the opportunity and tie in with the rapid development in the Mainland by developing the land in the Frontier Closed Area in the most effective way. I believe the development of this large piece of new land will play a vital role in promoting the integration of the mainland and Hong Kong economies.

Besides, there is also a lot of land in the New Territories which has been frozen and left idle by the authorities for a long period of time on the grounds of nature conservation. As a result, the landowners have lost their right to development and the Government has also suffered financial losses. I must point out that this is not only a conservation problem but also an economic issue. Moreover, it also involves the protection of ownership of private property.

Much to our regret, these problems have remained unsolved. The so-called new nature conservation policy launched by the Government two years ago is obviously not the suitable remedy. The public-private partnership approach adopted in the policy is not comprehensively considered and therefore not well received. So far, there has been no approved application.

Madam President, in view of this, Mr LAU Wong-fat, Chairman of the Heung Yee Kuk, after discussions and negotiations with a number of green

groups, proposed that a conservation fund be set up to take care of and to balance the development rights of landowners while promoting conservation, thereby creating a win-win situation. Both the Heung Yee Kuk and the green groups hope that the Government can consider the relevant proposal in a responsible manner.

I so submit. Thank you.

MR CHIM PUI-CHUNG (in Cantonese): Madam President, we have come to the second debate session on the Chief Executive's policy address. In the first session, the Chief Secretary for Administration, in response to Members' debates and comments, expressed his disagreement with many things. I hope that as a leader of the SAR Government, he would humbly accept others' good-intentioned criticisms and comments instead of putting up resistance. Although there is a so-called "separation of powers" in Hong Kong, all powers are actually concentrated on the executive which has a bearing on people's well-being.

Madam President, what the SAR Government takes pride in is our achievements emphasized by the Chief Executive in paragraph 15 of the policy address and appreciated by the Central Government. And one of these is logistics. What is logistics? According to our understanding, it is the transportation industry. Hong Kong has been a free port since inception in the 1840s. A free port means people from all over the world can enter and exit Hong Kong freely without the need of application. Indeed, on air transport, Cathy Pacific in Hong Kong is renowned as the best airline in the world. Meanwhile, our container terminals still rank the second in the world. But we should not forget that our transportation industry, or logistics, will face challenges and be taken over in the near future following the development of the mainland economy, or the development of the Yangzi River Delta and Pearl River Delta, in particular the Yantian Port in Shenzhen. We are convinced about this. Although it is overdoing to take over a place which has been a source of finance, other people will surpass us in areas which have been our strengths. In this regard, I very much hope that the Government will be more determined when formulating policies. Take the Container Terminal 10 as an example. There is no more mention of it after repeated procrastination. Under such circumstances, as I said earlier, some government officials should be more proactive. This is a fact.

Madam President, on tourism industry, the SAR Government is complacent about this. During the debate last week, I reminded the Government, and I dare say, that in two or five years, Hong Kong would have to leverage on the tourism industry of Macao instead of Macao leveraging on Hong Kong as at present. Undeniably, Hong Kong is still a very important city in Asia. People from all over the world visiting China would like to take a route via Hong Kong or stay at Hong Kong for a short time before going to other Asian countries. But we can see that this is not necessarily the case.

Indeed, there are still a lot of people coming to Hong Kong for conferences or exhibitions, particularly toy exhibitions. But I believe Macao will seriously threaten the position of Hong Kong in three years' time. Of course, some senior government officials and Bureau Directors may say that they do not know at what posts they will be by that time. But as high-ranking officials of the SAR Government, they should not have such a mindset. Once again, I have to criticize that it is irresponsible to say "my term of office will only last for eight months", particularly the Chief Executive clearly knows how long he can still be holding the post. People's ears are sensitive and their eyes are sharp. It is of course bad to mislead them. Under such circumstances, if tourism industry is not led back to the right track, Hong Kong people will have no alternative except going to Macao to enjoy the facilities there. Of course, Macao is being criticized as too small to threaten Hong Kong's status. But we should not forget that there are not many tourist attractions in Hong Kong, too. If Macao's policies are further improved, Hong Kong's reputation as shoppers' paradise may vanish. Why? Macao has already announced that it will have a surplus of around \$10 billion before the third quarter. Of course, I guess that its revenue from betting duty for the whole year can be as much as \$20 billion. Owing to our policies, we cannot start an immediate feasibility study on the legalization of gambling or betting, but the Government should have foresight instead of hindsight, nor should it shirk the responsibility.

The third area is trade. As we all know, trade is the strength of Hong Kong since inception. In particular, we built up the manufacturing industry in the 1950s. Since then, our plastic products, electronic products and garment industry had ranked the top in the manufacturing sector of the world. Undeniably, owing to some adverse objective factors and the reality, Hong Kong has lost its advantage in this aspect. But the SAR Government or our leaders cannot simply let it slip away this way. I have stressed that although Hong

Kong is criticized for its high salaries and high rentals, we should not forget that there is a country called Switzerland in the world where the salaries and all sorts of expenses are much higher than that in Hong Kong. Despite that, Switzerland still has an outstanding manufacturing sector. This deserves the SAR Government's reference and study. If the Government still waits for luck and privileged treatment by the Mainland, I think it is irresponsible and not a good practice. We should understand that no one can take care of a poor relative for long. It is true that due to special circumstances in the past decades, Hong Kong people have taken care of their relatives in the Mainland. But now, in terms of population and many other aspects, Hong Kong is less than 1% of that in the Mainland and in terms of population alone, the percentage may even be a fraction of 1%. So, it is an easy job for the Mainland to help Hong Kong if it wishes to. However, our excessive reliance on the Mainland will breed contempt among the people in the Mainland. Moreover, it will undermine the perseverance of Hong Kong people who will be unable to uphold the Hong Kong spirit.

Finally, Madam President, I would like to talk about the financial sector. Recently, many mainland banks, in particular the Industrial and Commercial Bank of China to be listed two days later — as China has undertaken to open its financial sector by the end of this year after accession to the World Trade Organization — a number of major banks have under such circumstances striven for dual listing in both Hong Kong and Mainland after enlarging their capitals. This has really created a very favourable economic condition for Hong Kong and enabled the industry to eke out a living.

Nevertheless, this will not last forever. We should know that it will be the 10th anniversary of Hong Kong's reunification with China next year. I have kept asking when our financial sector will return. Undeniably, the pie has become much larger. But we should not forget that one third of it is warrants from which the Government receives no stamp duty. Furthermore, when a company is listed, all big organizations and broker's firms in the world will make use of the opportunity to make a huge profit. They can really make a fortune. Why? Because nothing needs to be done in order to issue warrants for the listed companies.

As I just said, those major mainland banks have to work hard in order to get approval from the State, enlarge their capitals and enhance their operation before they can have any chance of going public. However, all financial

institutions and broker's firms can issue bonds immediately. How can this be said to be fair? Local brokers and local firms in Hong Kong are unable to get any advantage. I dare say that their clients will be led into gambling in a disguised way and eventually suffer losses.

So, as a government.....I always advance arguments on this. I feel ashamed by repeating this point. In fact, how could I get hurt? I know all the tricks. At worst, I make no money. It does not hurt even though I make no money. But many ordinary investors have not the wits and knowledge. Why should they keep doing this?

Of course, this is the way how the Secretaries of Department or Directors of Bureaux handle the matter until something has gone wrong. But this is not the right approach. A short-sighted government now looks at this from such a perspective. I am not making a fuss. I just request the SAR Government to strike a better balance. Indeed, with an enormous capital, foreign institutions can help enhance Hong Kong's status. But as a financial centre, we should not always emphasize the international dimension because local participants are basically not qualified to be international. If those who are not qualified should be eliminated, what can they do? Hong Kong is their native place. Even though they have no achievement, they have worked hard. How can we just kick them away? So, it is really wrong if the Government refuses to study the policy.

Madam President, the only conclusion I can draw on this policy address is that, as I have commented before, the industry is not taken care of. How can I support the policy address? What I can do is to advise the people to pray for their own blessing, that it is unrealistic to rely on the Government. Having said that, I hope that the SAR Government will improve its governance and strive for the well-being of the people after the election next year. As a Legislative Council Member, this is my expectation.

PRESIDENT (in Cantonese): Now it is seven minutes to 9 pm. Ms Audrey EU is the last Member to speak today.

MS AUDREY EU (in Cantonese): President, during the last debate session, the Chief Secretary for Administration said that the introduction of Goods and Services Tax (GST) by the Government showed that the Government was very

far-sighted and had absolutely not evaded any controversial issues. However, I would like to remind Chief Secretary HUI that just because there is no mention of GST in the policy address, the policy address is criticized for evading controversial issues. I would also like to tell the Chief Secretary that when the Government launched the consultation paper on GST, the Civic Party did not jump out to raise objection immediately. In fact, at that time, we demanded for more data from the Government to explain how the \$20 billion of revenue would be used and how the grassroots would be taken care of. Regarding the fact that GST is a regressive tax and the administrative cost is high, we wish to know the Government's response. When we asked the Government these questions, the Government refused to answer, saying that a reply would be provided later. It added that GST was revenue-neutral and the Government's financial position would be sound and stable in the coming five years, with plenty in reserves. When almost 80% of the people opposed GST, the Government put itself in a self-contradictory position and threatened the people by asking, "Where does the money come from?" On the other hand, the Government tried to please the people by proposing small-class teaching. However, Secretary Prof Arthur LI has yet to come to us for a discussion on it. After that, the Government threatened the people that health care financing would need an extra of \$50 billion.

President, when the Civic Party met with the Chief Executive to discuss the policy address, we asked him when the report on health care financing would be published and whether it could be discussed in conjunction with GST. But no reply was given. Now when the people had expressed opposition, he said that an extra of \$50 billion would be required for health care financing in future. So, we would say that the Government's consultation on GST is conducted in an indecisive and self-contradictory way. The Government cannot put the blame on Members. We cannot support it even if we want to.

President, Secretary Frederick MA just gave us a letter in reply to the Environmental Affairs Panel's question on the purchase of 36 new saloon cars by the Government. As environmentally-friendly cars had been mentioned in the policy address, the Panel asked the Government whether it would procure green cars to tie in with the initiative in the policy address. In reply, the Government said that the 36 Volkswagens saloon cars procured by the Government could completely meet the proposed emission and fuel efficiency standards. In the letter, it added that the proposed emission and fuel efficiency standards could be implemented after consultation with the industry and the Legislative Council by

the Environmental Protection Department. In other words, although in the policy address, the Government encouraged the purchase of green cars, the relevant standards have not been implemented yet. However, Secretary MA said in the letter that the standards were completely complied with. From this, we can see that his statements are self-contradictory and it is difficult to understand the contents of his letter.

Most importantly, President, I hope Secretary MA can understand that as the Government encourages the people to buy green cars in the policy address, is it a correct approach for the Government to procure these 36 cars immediately? I know that the tenders were invited in April. However, are these 36 cars indispensable? Should the procurement be made immediately? As the environmental standards laid down by the Government will be implemented on a later day, can the purchase be postponed in order to set a good example?

Besides, President, I would like to talk about two worrying trends in this session. The first one is "zero-fare" tours which has just been mentioned by some colleagues. Recently, we saw that some black sheep in the tourism industry treated mainland tourists as dupes or the goose that laid golden eggs and wanted to fleece them. Most unfortunately, we heard the Travel Industry Council say that they were unable to regulate it and could do nothing. In that case, President, we think the Government should be duty-bound and step up regulation. Besides, the Civic Party hopes that the Independent Commission Against Corruption can conduct a detailed investigation into the practice of giving kickbacks in order to ascertain whether corruption is involved. Only when such ambiguous arrangements in the industry are eliminated can the rights of consumers and tourists be protected and sufficient protection accorded.

Moreover, there is another problem worrying me. According to a global research by the United Nations, one in every five Hong Kong people has been deceived when spending money. In this aspect, President, we rank the top in the world. In the first eight months of this year, the Consumer Council received 25 436 complaints concerning fraudulent cases in which consumers had been cheated by various means including intimidation and inducement and the commodities involved include electrical appliances, hi-fi, medicines, beauty parlours, overseas vacation houses, and so on. There are still a lot of these shops in the tourist areas in Tsim Sha Shui. However, in Hong Kong, a place where the rule of law is upheld, how can these unscrupulous merchants be allowed to remain at large?

In fact, there are more than 20 ordinances which provide protection to consumers. However, as these ordinances target at business practices in a piecemeal manner, their implementation or enforcement cannot keep abreast of the times, particularly in six major areas such as those relating to consumer health and safety. For instance, the Sales of Goods Ordinance and the Trade Descriptions Ordinance only apply to products and do not cover services, auctions on the Internet, houses and facilities. Secondly, when consumers suffer loss due to unfair or fraudulent practice on the part of the sellers, the onus of proof is on the consumers if they want to claim compensation. Since enactment in 1995, the Unconscionable Contracts Ordinance has seldom been invoked. The ordinary consumers are basically unable to adduce sufficient evidence to prove that the merchants are unconscionable. Because of the limited losses, individual consumers are reluctant to take the risk of engaging in a lawsuit with the merchants. According to the findings of the United Nations, only 10% of the consumers who have been deceived will report to the authorities. This will certainly foster fraudulent cases and it is very difficult for tourists to make reports. The tourism industry is one of the important economic pillars of Hong Kong and Hong Kong enjoys the reputation as a shoppers' paradise. I hope Secretary Stephen IP will give us a piece of good news or a positive response so that we will know how the Government will handle these problems arisen recently. Thank you, President.

SUSPENSION OF MEETING

PRESIDENT (in Cantonese): I now suspend the Council until 9 am tomorrow morning.

Suspended accordingly at two minutes past Nine o'clock.