

# OFFICIAL RECORD OF PROCEEDINGS

Wednesday, 15 November 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

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

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

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

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

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

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

THE HONOURABLE ALBERT CHAN WAI-YIP

THE HONOURABLE FREDERICK FUNG KIN-KEE, 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.

THE HONOURABLE LEUNG KWOK-HUNG

DR THE HONOURABLE KWOK KA-KI

DR THE HONOURABLE FERNANDO CHEUNG CHIU-HUNG

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

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

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

THE HONOURABLE CHIM PUI-CHUNG

PROF 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 MARTIN LEE CHU-MING, S.C., J.P.

THE HONOURABLE SIN CHUNG-KAI, J.P.

**PUBLIC OFFICERS ATTENDING:**

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

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

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

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

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

**CLERKS IN ATTENDANCE:**

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

MRS 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>
Public Health and Municipal Services (Setting Aside Places for Use as Public Pleasure Grounds) (No. 3) Order 2006 .....	245/2006
Public Health and Municipal Services Ordinance (Amendment of Fourth Schedule) (No. 3) Order 2006 .....	246/2006
Deposit Protection Scheme (Asset Maintenance) Rules ....	247/2006
Mutual Legal Assistance in Criminal Matters (Belgium) Order (Commencement) Notice.....	248/2006

**Other Papers**

- No. 24 — Report on the Administration of the Immigration Service Welfare Fund prepared by the Director of Immigration Incorporated in accordance with Regulation 12(b) of the Immigration Service (Welfare Fund) Regulation
- No. 25 — Report of the Director of Audit on the Accounts of the Government of the Hong Kong Special Administrative Region for the year ended 31 March 2006
- No. 26 — Report No. 47 of the Director of Audit on the results of value for money audits - October 2006
- No. 27 — Accounts of the Government for the year ended 31 March 2006

**ORAL ANSWERS TO QUESTIONS**

**PRESIDENT** (in Cantonese): Questions. First question.

## Regulation of Greenhouse Gas Emissions

1. **MS AUDREY EU** (in Cantonese): *The Kyoto Protocol, an international convention intended for reducing the emissions of greenhouse gases and mitigating global climate change, has been applicable to Hong Kong since 2003. In this year's policy address, the Chief Executive has also pointed out that "As a world city, Hong Kong should not only attach importance to local pollution problems but also look at the wider picture. The crisis of global warming caused by the greenhouse effect is a major concern." In this connection, will the Government inform this Council:*

- (a) *whether it has assessed the impact of global warming on Hong Kong in areas such as economic development, medical system, livelihood and welfare; if it has, of the details; if not, the reasons for that and whether it will conduct such assessment in the future;*
- (b) *of the progress in fulfilling its obligations under the Kyoto Protocol; and*
- (c) *whether it will consider setting up an ad hoc group to examine the regulation of greenhouse gases emissions by individual industries, in particular the power stations?*

## **SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS**

(in Cantonese): In the policy address delivered this October, the Chief Executive clearly pointed out that global warming caused by the greenhouse effect is a concern of the Hong Kong SAR Government. Apart from assisting the Central Government in fulfilling the obligations under the Kyoto Protocol, Hong Kong, as an international city, will try to reduce local emissions of greenhouse gases and assess through research the impact of climate change on Hong Kong in various areas.

Let me first introduce Hong Kong's obligations under the Kyoto Protocol and the progress made so far. Since 1992, over 180 countries have signed the United Nations Framework Convention on Climate Change (the Convention), which calls for the widest possible co-operation by all countries and their participation in an effective and appropriate international response, in

accordance with their common but differentiated responsibilities and respective capabilities and their social and economic conditions.

In 1997, Parties to the Convention signed the Kyoto Protocol to the Convention, under which Parties being industrialized economies (Annex I Parties) committed to limiting or reducing their individual greenhouse gases emissions to not more than 92% to 110% of the 1990 levels during the period from 2008 to 2012 in accordance with specific requirements. The total greenhouse gases emissions from all Annex I Parties should be reduced by at least 5% below the 1990 levels. In addition, three flexible mechanisms, namely emissions trading, joint implementation agreement and clean development mechanism, were introduced under the Kyoto Protocol to assist Annex I Parties in complying with their emissions limitation or reduction commitments. Based on the principle of common but differentiated responsibilities, Parties not included in Annex I (Non-Annex I Parties) are not required to commit to limiting or reducing greenhouse gases emissions under the Kyoto Protocol, which entered into force on 16 February 2005.

According to the provisions of the Kyoto Protocol, China (including the Hong Kong SAR), like most of the other economies in the region such as South Korea and Singapore, is not required to commit to limiting or reducing the greenhouse gases emissions, but has to submit national communications in accordance with the specific requirements of the United Nations.

Upon taking effect in China, the Kyoto Protocol is also applicable to the Hong Kong SAR. The Hong Kong SAR Government will assist the Central Government in fulfilling the obligations under the Kyoto Protocol by providing the following information:

- (i) emission inventories of greenhouse gases;
- (ii) appropriate measures for Hong Kong to mitigate climate change and facilitate adequate adaptation to climate change;
- (iii) co-operation activities in promotion of development and application of the environmentally sound technologies pertinent to climate change;
- (iv) co-operation activities in scientific research related to climate change; and

- (v) activities in promoting public awareness and disseminating the relevant messages.

As specifically required by the United Nations, non-Annex I Parties should do their best to submit a national communication within four years after obtaining the first payment of funds for compiling such communication from the relevant organization of the United Nations. We understand that the relevant organization of the United Nations has yet to grant the payment to China. Therefore, Hong Kong will submit the relevant information to the Central Government around 2010 and the Hong Kong SAR Government will prepare the information in the coming two years.

The Hong Kong SAR Government has conducted a number of scientific researches to make a preliminary assessment of the impact of climate change on Hong Kong in various areas. For example, the Hong Kong Observatory has been studying the relationship between climate change and meteorological factors, rainfall and changes in the sea level as well as the future trends; the Electrical and Mechanical Services Department has explored the possibility of using renewable energy in Hong Kong; and the Environmental Protection Department has studied possible measures to control the greenhouse gases emissions and has made summary assessments in several areas such as the impact of climate change on energy consumption in Hong Kong. The findings of these studies are available on the websites of these departments.

In order to meet the specific requirements for compiling national communications on climate change, we will, when preparing the relevant information in the coming two years, study and adopt common international practices in the light of our socio-economic conditions and affordability, as well as the development priorities, objectives and circumstances of Hong Kong in assessing the impact of climate change on Hong Kong in various areas and in enhancing and improving our existing measures to mitigate climate change.

Although the greenhouse gases emissions of Hong Kong represent a very small portion of the global total emissions, the Hong Kong SAR Government has made a lot of efforts for years in implementing practicable measures to minimize the emissions. In 2004, for example, the greenhouse gases emissions per capita stood at 6.4 tonnes, representing a reduction of 7% as compared with 1990. The figure is far below the levels in most developed economies. Before evaluating the need to regulate greenhouse gases emissions of specific industries,

we must fully consider the actual circumstances, including our affordability and the benefits of such regulatory measures.

Separately, according to the provisions of the Kyoto Protocol, China (including the Hong Kong SAR) can participate in the clean development mechanism. The Hong Kong SAR Government and the Central Government have been discussing the specific arrangements applicable to the Hong Kong SAR with a view to formulating them as soon as possible.

Finally, I would like to reiterate that the Hong Kong SAR Government will, as always, continue to make every effort in doing its part in reducing local greenhouse gases emissions. However, it is impossible to resolve the climate change problem solely through the efforts of individual countries. Its success depends on the concerted efforts of all the countries around the world.

**MS AUDREY EU** (in Cantonese): *President, the Secretary's main reply is disappointing. Particularly in the ninth paragraph in which she only told us that the greenhouse gases emissions per capita have reduced compared with 1990. However, President, in the third paragraph, the Secretary said that the Kyoto Protocol regulated the increase or decrease in the total greenhouse gases emissions in comparison with the level in 1990, rather than increase or decrease in the emissions per capita. I of course understand what the Secretary said. China, as a third world country, is not one of the Annex I Parties despite having signed the Kyoto Protocol. However, the development of Hong Kong is far more advanced than other industrialized countries. So, may I ask the Secretary whether the SAR Government is determined to fulfil the requirements prescribed in the Kyoto Protocol, that the total greenhouse gases emissions, not the emissions per capita, should be lower than the level in 1990? In the ninth paragraph, the Secretary said that the actual circumstances and affordability should be taken into consideration. Did she mean that the SAR Government does not have such an intention? Regarding the power plants, does the Government have the least intention to reduce the greenhouse gases emissions?*

**SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS** (in Cantonese): We began to reduce emissions in 1996 with a view to attaining a level lower than the level in 1990. As a result of population growth, the total emissions between 1990 and 2004 have increased by 12% although the emissions

*per capita* have reduced. However, the Kyoto Protocol has not stipulated that all Annex I Parties should reduce emissions. Some countries are allowed to increase emissions, such as Australia. Although Australia is allowed to increase emissions by 8%, it is not allowed to participate because according to some analysis, it needs to increase emissions to a certain extent in its development process. So, the Kyoto Protocol has not stipulated that each and every country should reduce emissions. We do not mean that we have done a very good job between 1990 and 2004, but Members can make a comparison. In 2004, our rate of increase is 12% while the increase in the same period for signatory parties on informal economic transition or countries which are comparable to us ..... compared with Singapore ..... the rate of Singapore was around 80%; the rate of Canada was 27%; the rate of Australia was 25%; the rate of New Zealand was 21%; the rate of the United States was 21%; the rate of Finland was 15%, and followed many more countries. As we know, we had to overcome tremendous difficulty in order to reduce emissions. During that period, we implemented many feasible plans. So, we should conduct further assessment in order to determine the next step forward in emission reduction. Of course, power plants are our biggest source of carbon dioxide emission, which accounts for 70% of the total emissions. So, if emissions have to be further reduced, we have to do something about the fuels.

Recently, the United States Government has released the latest technology on reducing the emissions of power plants, in which the problem of energy safety is mentioned. In other words, should a country rely solely on one source of energy? We hope that we can use natural gas only. But we have been facing a problem in recent years, and that is, when there is a problem in the supply of natural gas, we turn to coal again. Can we totally eliminate emissions in using coal? After this analysis, we think that energy safety is one of our considerations. So, I cannot answer Ms Audrey EU's question about which Annex I Parties we should follow in future. In fact, we are not one of the countries or regions under Annex I Parties — it should be a country — and subject to the restrictions in increase or decrease of emissions. Rather, we have the freedom to determine the level. We are now working together with the State to see how much more Hong Kong can do.

**PRESIDENT** (in Cantonese): A total of 11 Members are waiting for their turns to ask supplementary questions. Will Members who have the opportunity to ask questions please be concise.

**MISS CHOY SO-YUK** (in Cantonese): *President, as we all know, greenhouse gases are mainly methane and carbon dioxide. The landfills which produce methane are under good control in Hong Kong. It is also very easy to tackle the problem of carbon dioxide because the major source of such gas is the two power plants. And greenhouse gases emitted by coal-fired generation of electricity are more than one fold of that emitted by using natural gases. In the reply, the Secretary has reiterated that we are not Annex I Parties and need not have a target. But our carbon dioxide emission has increased by more than 10% .....*

**PRESIDENT** (in Cantonese): What is your supplementary question then?

**MISS CHOY SO-YUK** (in Cantonese): *May I ask the Secretary whether we will, as the State has signed the Kyoto Protocol, set a target for reducing carbon dioxide emission such as specifying the date when how much reduction can be made in order to fulfil our..... and whether we will at least be actually informed of the kind of measures, be it a greening project or.....*

**PRESIDENT** (in Cantonese): Have you asked your supplementary question? If you have, it will be fine. Secretary, please answer the question.

**SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS** (in Cantonese): I think Miss CHOY is trying to ask whether there is a target to achieve and whether efforts to reduce greenhouse gases emissions will be continued. My reply to both is positive. As for the target, we have to consider the overall economic impact on society. Frankly speaking, we are concerned about the tariff because the use of relatively expensive fuels will certainly affect the tariff. Since the State has not formulated an upper or lower ceiling pursuant to the Kyoto Protocol under the Convention, we cannot follow the Kyoto Protocol. Hong Kong has to carry out its own study. For example, we have been carrying out greening projects and planting of trees. A certain number of trees are planted on a yearly basis. We have been doing all these. In addition, we will do our best to take energy efficiency into consideration and reduce emissions. As for the question of whether we can formulate a feasible target at present, we are still unable to do so.

**DR FERNANDO CHEUNG** (in Cantonese): *President, the global temperature change has directly affected the health of Hong Kong people, especially the elderly. Many surveys have found that the elderly are adversely affected by the rise in temperature. My supplementary question is: Has the Government ever considered the needs of the elderly when designing public housing? In particular, metal gates will not be installed under the current design, causing ventilation problems in the dwellings of the elderly. I would like to know if the Government has considered any solution for the elderly in view of the rising global temperature.*

**PRESIDENT** (in Cantonese): Dr Fernando CHEUNG, I think the supplementary question you asked is not relevant to the theme of this question. You should in fact ask another question concerning whether the design of public housing has taken into consideration the problem you just mentioned. Am I right?

**DR FERNANDO CHEUNG** (in Cantonese): *President, maybe I have stretched the scope of the supplementary question a little bit too wide. We know that the rising global temperature has greatly affected the health of the elderly and the chronically ill. Does the Government have any policy to deal with the change in this aspect?*

**SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS** (in Cantonese): If you have to establish the impact of global warming on health, I believe there is no actual correlation or linkage between the two at present. As for building design, I think no matter under what circumstance, we all have to ..... The Electrical and Mechanical Services Department has issued five guidelines, stipulating that all buildings erected by the Government, be it public housing or other kinds of building, should make the utmost effort in complying with the very high standard of energy conservation. Besides, I believe that ventilation is also a requirement of the Buildings Department. In recent years, however, many public housing users have installed air-conditioning. So, the overall concern is temperature maintenance rather than ventilation. I am sure that a comprehensive review is required before a new standard of ventilation can be laid down.

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

**DR YEUNG SUM** (in Cantonese): *President, in my opinion, the global greenhouse effect has led to an increase in temperature which is a great crisis for the whole world. Since the two power plants are due for renewal of agreements with the Government in 2008, I hope that the Government can ..... The ninth paragraph of the main reply particularly mentioned the two power companies and pointed out that they were responsible for 70% of the total greenhouse gases emissions in Hong Kong. Will the Government pinpoint these two companies and take further ..... I know that the Secretary is going to require these two companies to reduce emissions, but will the Government take further actions to reduce their greenhouse gases emissions? I wish to pinpoint them because they are going to renew agreements very soon and it is a good opportunity. Will the Secretary make a greater effort in this aspect?*

**SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS** (in Cantonese): I have made a lot more efforts with a view to obtaining public support. The tariff, on the other hand, will also be affected. This is a most realistic question and I will continue to fight for a reduction of emissions.

**PRESIDENT** (in Cantonese): Second question.

### **Illegally Operated Columbaria**

2. **MR ALBERT HO** (in Cantonese): *It has been reported that the private niches currently provided by monasteries represent one third of the supply in the entire niche market and many of them are operated illegally. Regarding the entire niche market, will the Government inform this Council:*

- (a) *whether it has assessed the current situation of illegal operation of private columbaria; if so, of the details, including the locations of the illegally operated columbaria, the number of niches provided by such columbaria, the proportion of such niches in the entire private*

*niche market, the factors conducive to the emergence of this type of columbaria, the public hygiene problems arising, the impact on town planning and the loss of revenue from land premiums involved;*

- (b) whether it has instituted prosecutions against illegally operated columbaria; if so, of the number of such prosecutions in the past three years; and*
- (c) on the basis of the latest position, of the updated information on the estimated demand for public and private niches in the coming 10 years, as well as the details and progress of the corresponding planning made?*

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

- (a) The Government does not have comprehensive information or assessment on unauthorized columbaria. From a public hygiene perspective, cremated ashes are processed at a high temperature of over 850 degrees Celsius and do not constitute any hygiene problem.

The Town Planning Ordinance provides that the use and development of land should comply with the uses specified in the relevant statutory plan. Any contravention or uses without planning permission will be regarded as unauthorized developments. The Planning Department may initiate enforcement actions against an unauthorized development in accordance with the Town Planning Ordinance. Columbarium is no exception. Unless such use is clearly specified as permitted in the statutory plans, otherwise application for the land use is required.

As we do not have any statistics on the number of unauthorized columbaria, we cannot make any assessment relating to the land premium involved.

- (b) No prosecution has been taken against unauthorized columbaria in the past three years.

- (c) As a result of population growth, the number of deaths in Hong Kong has been increasing, and so is the number of cremations. In 2005, out of a total of 38 683 deaths in Hong Kong, 33 288 (that is, 86%) dead bodies were cremated. The cremation rate is anticipated to rise further in the coming years, reaching 90% or more after 2010. Public demand for niches has been on the increase. The Government and non-government organizations have been providing niches for the public. Based on experience, it is estimated that the annual public demand for niches provided by the Government and the Chinese Permanent Cemeteries (CPC) is some 20 000, catering for 60% of all the cremations.

The Government is actively planning to provide about 100 000 new niches in phases from 2007 to 2013. In the next two years, construction of a total of some 25 000 new niches will be completed in Cheung Chau, Wo Hop Shek, Diamond Hill and Kwai Chung. The Government is also planning to build several tens of thousands of new niches in Wo Hop Shek in 2010 and 2013. In addition, serious consideration is being given to developing columbarium facilities in Tuen Mun Area 46. The proposal was put before the Tuen Mun District Council in May this year, but was met with opposition from the District Council and local residents. The Government will continue to consult the District Councils concerned regarding the details of the proposed construction of columbaria in Wo Hop Shek and Tuen Mun, and will apply for funding from the Legislative Council for implementing the projects.

In addition, about 10 000 new niches will be provided by the CPC between now and next year.

To sum up, if the development plan for Tuen Mun cannot be completed as soon as possible, based on the Government's plans as detailed above regarding the provision of additional niches, it is anticipated that in the next 10 years, Government and CPC niches will be in short supply in six of them. The annual shortfall is estimated to be 8 000 to some 20 000.

The Government does not have any data on the overall supply of niches by the private sector.

**MR ALBERT HO** (in Cantonese): *President, I was very surprised to learn that the Government actually has no idea of the total number of private columbaria at all, be they legally or illegally operated. For many families, the funerals of ancestors are very important, but it seems that the Government has completely failed to cater for such need on the planning front by encouraging the descendents to adopt cremation. As evident in the Secretary's main reply, there will still be a serious shortfall in the future supply of government niches. May I ask the Government whether its reluctance to ascertain the number of illegally operated columbaria and denial of the need for enforcement was attributable to the unavailability of space to accommodate the niches? In case the Government really has to take action against those illegally operated columbaria, there may not be space to accommodate the niches. May I ask the Government if there are other means to ensure a sufficient supply of niche in the future?*

**SECRETARY FOR HEALTH, WEALTH AND FOOD** (in Cantonese): Madam President, I stated very clearly earlier that the Government has explored the possibility of constructing new niches in various districts over the past years. But unfortunately, there had been opposition from either local residents or the District Council concerned whenever the proposal was put forward. Of course, we understand that there will certainly be resistance from the District Council concerned and local residents to columbarium facilities, but we also know that people die in Hong Kong every year. Two years ago, I said that the problem of not having a place to rest in peace after death must be addressed. How can we increase the number of columbaria? In respect of cremation facilities, a series of plans have been drawn up to ensure a sufficient supply 10 years later. The only problem is how to accommodate the niches. Therefore, I hope that Members will give more support to the selected sites and promote local acceptance of our proposal. At present, the design of many cemeteries is not really that obnoxious, and they can be as beautiful as gardens.

Furthermore, there will be other alternatives for public consideration. For example, people are now encouraged to spare the need for permanent niches, and instead to scatter the ashes of their ancestors in Gardens of Remembrance if they are willing. There are altogether eight Gardens of Remembrance, and a new one in construction at Cape Collinson. It is a very beautiful place where people can pay respect to their ancestors. Therefore, I think that this problem cannot be solved by simply accusing the Government of not making the best

effort in this regard, because it is imperative to have the co-operation of members of the public and the community as well.

**MR ALBERT HO** (in Cantonese): *The Secretary has not answered a part of my supplementary question, and that is, whether the Government's reluctance to grasp or look into the situation of those illegally operated columbaria is attributable to insufficient supply of columbaria.*

**SECRETARY FOR HEALTH, WEALTH AND FOOD** (in Cantonese): Madam President, I said earlier that the Government would, of course, very much like to provide the relevant data as far as possible. However, we will have to consider the risks of those private niches before deciding whether or not to impose regulation on them. Is it necessary to impose regulation on each and every kind of services available in the community? Insofar as niches are concerned, since I have just said that it does not constitute any hygiene or safety problem, so the imposition of regulation will not be considered for the time being. As to whether there are other reasons necessitating the regulation of these niches, it surely depends on Members' views. I think that there is no such need from the hygiene, health and environmental perspectives.

**MR WONG YUNG-KAN** (in Cantonese): *The Government informed us that more than 100 000 niches would be provided 10 years later, that is, from these few years to 2013. Given that cremation has become more and more popular, I wish to ask the Government if it has considered resolving the problem by other means. Earlier, the Secretary mentioned the option of scattering human ashes in gardens, but I can see that some mainland organizations have started to arrange the scattering of human ashes at sea. Is it possible to encourage members of the public to adopt this practice?*

**SECRETARY FOR HEALTH, WEALTH AND FOOD** (in Cantonese): Madam President, there is a question concerning sea burials today and an explanation has already been given in the reply. Applications for sea burials can now be submitted. However, generally speaking, we must make sure that there is nothing else but human ashes in the sea burials. It is because the sea will be polluted if hell notes and candles are thrown into it together with the ashes. Therefore, we are now considering the location for sea burials. If it is

outside Hong Kong waters, there is certainly no need for regulation because anyone is free to do anything on the high seas. However, if it is within Hong Kong waters, we should try to avoid such busy locations as the busy waters of the Victoria Harbour, beaches, typhoon shelters, marine fish culture zones, as well as the coastlines of marine parks and country parks. All these factors will be taken into account. Since applications for sea burials, in particular, are now free of charge, it thus makes sea burials an alternative worth consideration. But, I believe more and more people will consider adopting other alternatives. Some people may choose to place their ancestors' ashes and pay tribute and respect to them at home, which is also an option.

**MR WONG KWOK-HING** (in Cantonese): *It can be seen from the Secretary's main reply that both government and CPC niches are in short supply. In this circumstance, the private sector also provides niches — I am not saying that they are unauthorized. Has the Government considered introducing a registration system to enable the public to ascertain if the private organizations from which they purchased niches for their ancestors have registered with the Government, so as to ensure that their ancestors have a place to rest in peace, or a registered place to rest in peace after death, thereby helping solve the problem in question? I wish to ask whether the Government will consider resolving the problem of insufficient government niches with the help of the private sector.*

**SECRETARY FOR HEALTH, WEALTH AND FOOD** (in Cantonese): Madam President, just as I said earlier, before imposing any regulation, we have to examine if there are any health or hygiene conditions or factors necessitating government regulation. The niche itself does not constitute any safety or health problem. It is simply a business contract entered between the user and the provider of the service. We therefore have no intention of imposing any regulation on private columbarium facilities for the time being. As I have said earlier, regulation will only be imposed if there are other considerations.

**MR WONG KWOK-HING** (in Cantonese): *President, the Secretary has not answered my supplementary question. I asked whether or not a registration system would be formulated for the public to ascertain if the place where their ancestors rest in peace has registered with the Government. This part has not been answered by the Secretary.*

**PRESIDENT** (in Cantonese): Secretary, perhaps you need to explain a bit more clearly.

**SECRETARY FOR HEALTH, WEALTH AND FOOD** (in Cantonese): Madam President, we have no intention of formulating a registration system for the time being.

**MR FRED LI** (in Cantonese): *President, it can be seen from the figures provided by the Government that more than 20 000 niches are provided by the Government and the CPC each year, whereas 10 000-odd niches (that is, another 40%) are probably provided by the private sector. This is a matter of supply and demand. As a result of the Government's inability to increase supply, members of the public are forced to turn to niches provided by the private sector. Earlier on, the Secretary said that there is no intention of introducing registration or imposing regulation. So, let me ask the Government from another angle. Has the Government heard of, received or looked into complaints about increasing cases of people being cheated by the private columbaria they patronized? Was there any case where people suffered monetary loss as a result of the closure of private columbaria or the person-in-charge simply disappeared? Has the Government considered the issue from this angle?*

**SECRETARY FOR HOUSING, PLANNING AND LANDS** (in Cantonese): President, we have not received any complaint of this sort. However, insofar as the provision of private columbarium facilities is concerned, restrictions on planning have, in fact, been imposed. From the planning perspective, not all places can be used as columbaria. In the outline development plan of the Town Planning Board (TPB), the use of certain places requires the permission of the TPB. As we all know, section 16 of the Town Planning Ordinance provides for two categories: One relates to places that are normally permitted, while the other relates to places where approval of the TPB must be obtained before implementation. Green zone and government community facilities, for instance, belong to the latter one. Application for the construction of columbarium can be submitted to the TPB, and once permitted, the construction works can proceed. This is consideration from the planning perspective.

After considering the planning perspective, we will turn to examine the land lease. If no restriction is specified in the land lease and the provision of a columbarium is permitted, it can be built. If rejected, however, application for change of land use should then be made to the Lands Department to seek approval. If the change of land use is approved, the Lands Department will consider the need for regrant premium. Therefore, a procedure has already been laid down to allow for the provision of columbaria. Provided that the procedures are followed, there will be no problem of illegal operation.

**MR FRED LI** (in Cantonese): *President, the Secretary has not answered the simplest part of my supplementary question, and that is: Has the Government received, looked into or heard of any complaints about problems arising from the patronage of private columbaria? The Secretary has not answered this part of the supplementary question.*

**SECRETARY FOR HOUSING, PLANNING AND LANDS** (in Cantonese): President, I answered right at the beginning that no such complaints had been received.

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

**MR ABRAHAM SHEK** (in Cantonese): *I wish to follow up the supplementary question raised by Mr Fred LI just now. The Secretary has already answered his supplementary question, and having heard his reply, I find that nothing can be done by the Secretary. Yet, will the Government consider relaxing the restrictions on planning and land use to enable the provision of niches in the currently vacated industrial buildings in order to solve the problem of insufficient niches, President? (Laughter)*

**SECRETARY FOR HOUSING, PLANNING AND LANDS** (in Cantonese): President, we have not considered this option. *(Laughter)* In fact, I answered a question concerning vacant factory units and how their utilization rate can be

enhanced here last week. I think our consideration at that time was the conversion of those units for use by living people, rather than the dead.  
*(Laughter)*

**PRESIDENT** (in Cantonese): Third question.

### **Fatal Traffic Accidents**

3. **MR ANDREW CHENG** (in Cantonese): *President, as a number of fatal traffic accidents have occurred in Hong Kong in recent months, will the Government inform this Council:*

- (a) *in respect of the past three years, of the number of traffic accidents involving reversing goods vehicles and the resultant casualties and, concerning the traffic accidents which involved drivers of taxis, public light buses, public buses and goods vehicles as well as other types of motorists respectively, a breakdown of the number of traffic accidents and the resultant casualties by the following seven causes of accidents involving motorists: tailgating, careless changing of lanes, failing to comply with traffic signals, falling asleep or feeling drowsy while driving, falling ill suddenly, speeding and drink driving;*
- (b) *whether it will expeditiously enact legislation to provide that a goods vehicle may be driven in the reverse mode only if it has been fitted with a closed-circuit television (CCTV) system, and study the implementation of measures such as pedestrian and vehicle segregation or banning reversing of vehicles on certain narrow roads in Hong Kong; if it will, of the details; if not, the reasons for that; and*
- (c) *whether it will draw up measures to make it mandatory for all professional drivers to undergo annual medical examination and to attend road safety refresher courses on a regular basis, and to ensure that they will have enough time for rest; and whether it will consider increasing the penalty for the offence of dangerous driving causing death; if it will, of the details; if not, the reasons for that?*

**SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS** (in Cantonese): President, the number of traffic accidents and casualties involving reversing goods vehicles, as well as the figures in the past three years involving drivers driving too close to the vehicles in front, changing lanes carelessly, failing to comply with traffic signals, speeding, drink driving and falling asleep/feeling drowsy/having sudden illnesses, with breakdowns by major vehicle types, are set out at the Annex to this reply. I would not read them out individually.

We are very concerned about the recent traffic accidents involving reversing goods vehicles. In the past three years, the average number of traffic accidents involving reversing goods vehicles per year was 185, accounting for about 1.2% of the total number of traffic accidents. The number of accidents during the first 10 months this year was 140, which is similar to the figures in the past few years. We will continue our efforts on various fronts to enhance the safety of reversing goods vehicles.

With effect from 1 April 2000, we have made it mandatory for all goods vehicles to be fitted with an automatic device that would give an audible warning to nearby pedestrians when the vehicle reverses. Since then, the average number of traffic accidents involving reversing goods vehicles per year has dropped from 223 between 1997 and 1999 to 185 between 2003 and 2005.

In addition, it is also permitted under the law to install other devices on goods vehicles such as reversing sensors and video systems, which can help drivers to reverse safely. However, not all types of goods vehicles are suitable for the installation of reversing sensors, CCTVs or other video systems. The effectiveness and reliability of these devices are dependent upon the vehicle type and vehicle body form. If we are to mandate all goods vehicles to be fitted with such devices, we will have to specify the related technical requirements and standards, so that people can comply with the law, and departments can take enforcement actions effectively. However, we understand that most overseas countries do not mandate the fitting of these devices on vehicles. Hence, we are actively exploring with manufacturers of vehicles and these devices on whether and how the devices can be installed on different vehicles, with a view to specifying the related technical requirements and standards, so as to facilitate effective implementation.

In respect of improvements to the road environment, it has all along been one of the major tasks of the Transport Department (TD) to monitor the traffic

and road safety conditions in all districts. There are some narrow roads or cul-de-sacs in the older built-up areas, where turning of vehicles may be difficult or impossible and vehicles have to reverse for access inevitably. Also, due to site and land ownership constraints, and so on, there are difficulties in implementing measures to segregate pedestrians and vehicles. For this reason, the TD has been liaising closely with the District Councils to identify road sections with potential risks for reversing vehicles in each district. The TD will consider on a case-by-case basis whether it is necessary to implement additional measures, such as provision of facilities to segregate pedestrians and vehicles, installation of signs to warn drivers and pedestrians of possible reversing vehicles, restrictions on the time or location of loading/unloading activities or restrictions on access by certain types of vehicles, taking into account the physical environment, practical needs of local residents and commercial activities, the knock-on impact on nearby roads, as well as the views of the local community.

In fact, the safety awareness and driving attitude of drivers are of prime importance in preventing traffic accidents involving reversing vehicles. We will continue to strengthen publicity on the points for attention when reversing through Announcements of Public Interest, leaflets and regular meetings with the trade. We will also enhance publicity on road safety awareness for pedestrians, especially the elderly and children.

Regarding the proposal of mandating all professional drivers to undergo annual medical examination and to attend road safety refresher courses on a regular basis, it should be noted that there are currently about 1.6 million commercial vehicle driving licence holders in Hong Kong. It is estimated that about 400 000 of them are professional drivers. However, except drivers of franchised buses and green minibuses, we are not able to identify, from among the over 1 million commercial vehicle licence holders which are professional drivers and which are merely licence holders but not drivers by profession.

Accordingly, there are practical difficulties for us to require all professional drivers to undergo annual medical examination, and this may result in all commercial vehicle driving licence holders having to submit their medical reports to the TD every year before their licences can be renewed. This will not only cause inconvenience to all professional drivers, but will bring even greater inconvenience and nuisance to those who are not professional drivers but who hold such licences. Moreover, statistics show that traffic accidents directly related to the physical or mental conditions of commercial vehicle drivers are

often individual incidents. Take last year as an example, there were only 47 such accidents, which accounted for less than 0.3% of the total number of the traffic accidents in the year. It may therefore be inappropriate and impractical to mandate all professional drivers to undergo annual medical examination at this stage.

For the same reason, mandating the over 1 million commercial vehicle driving licence holders to attend road safety refresher courses on a regular basis may not be reasonable or fair to the vast majority of drivers who have good driving practice and are law-abiding citizens. It also brings them inconvenience as well as financial and time costs.

We consider that a more targeted approach should be adopted by mandating all repeat traffic offenders, be they private car or professional drivers, to take driving improvement courses. We are drawing up proposals for submission to the Panel for Transport of this Council and will start consultation in due course. Separately, through the media and through regular meetings with the trade, we will urge members of the transport trades to attend, on a voluntary basis, driving improvement courses and specific training courses and safety workshops for professional drivers. We will also step up publicity and education efforts on the driving attitude and safety awareness of professional drivers.

As regards rest time for professional drivers, we have issued guidelines on working schedules to franchised bus and green minibus operators, which carry more than 5 million passengers daily, so as to ensure that their drivers have sufficient rest time. As for other professional drivers who are mostly self-employed rather than employees of any organizations, it is difficult to enforce or monitor their rest time. Nevertheless, in regular meetings with the transport trades, the TD has been encouraging them to make reference to or follow the working schedules of franchised buses or green minibuses, with a view to ensuring adequate rest time for drivers.

Under the Road Traffic Ordinance, if a traffic accident involves the driving behaviour of the driver and causes the death of another person, the driver can be charged with causing death by dangerous driving. He is liable to a maximum fine of \$50,000, five years' imprisonment and suspension of licence upon conviction. A driver will have his driving licence suspended for not less than two years for the first conviction, and for not less than three years for the second or subsequent convictions. To strengthen the deterrent effect against

improper driving behaviour, we are now reviewing the penalty for causing death by dangerous driving, especially the term of imprisonment. We will make reference to the recent recommendation of the Court of Appeal. The review will soon be completed. We will submit our proposal to the Panel for Transport of this Council and will carry out public consultation with a view to introducing the legislative amendments as soon as possible.

## Annex

- (1) Number of traffic accidents and casualties involving reversing goods vehicles

<i>Year</i>	<i>Traffic accidents involving reversing goods vehicles</i>	
	<i>Number of traffic accidents</i>	<i>Number of casualties</i>
2003	182	189
2004	179	185
2005	195	201

- (2) Accidents involving drivers driving too close to the vehicles in front

- (i) *Number of traffic accidents*

<i>Year</i>	<i>Motor-cycle</i>	<i>Private car</i>	<i>Taxi</i>	<i>Public Light Bus</i>	<i>Public Bus</i>	<i>Goods Vehicle</i>	<i>Total (All motor vehicles)</i>
2003	159	466	301	86	145	549	1 636
2004	127	539	324	115	161	562	1 758
2005	138	462	393	116	149	589	1 779

- (ii) *Number of casualties*

<i>Year</i>	<i>Motor-cycle</i>	<i>Private car</i>	<i>Taxi</i>	<i>Public Light Bus</i>	<i>Public Bus</i>	<i>Goods Vehicle</i>	<i>Total (All motor vehicles)</i>
2003	194	669	441	145	397	822	2 560
2004	146	823	491	257	447	904	2 945
2005	157	734	630	222	520	1 006	3 075

Note: If more than one vehicle types are involved in one single accident, the accident and casualties involved will be repeatedly included under respective vehicle types.

## (3) Accidents involving drivers changing lanes carelessly

(i) *Number of traffic accidents*

<i>Year</i>	<i>Motor-cycle</i>	<i>Private car</i>	<i>Taxi</i>	<i>Public Light Bus</i>	<i>Public Bus</i>	<i>Goods Vehicle</i>	<i>Total (All motor vehicles)</i>
2003	88	332	170	58	69	204	909
2004	84	403	181	75	77	257	1 065
2005	108	390	174	64	97	292	1 099

(ii) *Number of casualties*

<i>Year</i>	<i>Motor-cycle</i>	<i>Private car</i>	<i>Taxi</i>	<i>Public Light Bus</i>	<i>Public Bus</i>	<i>Goods Vehicle</i>	<i>Total (All motor vehicles)</i>
2003	98	451	198	86	124	281	1 217
2004	99	561	218	105	133	384	1 484
2005	121	544	221	92	125	407	1 476

Note: If more than one vehicle types are involved in one single accident, the accident and casualties involved will be repeatedly included under respective vehicle types.

## (4) Accidents involving drivers failing to comply with traffic signals

(i) *Number of traffic accidents*

<i>Year</i>	<i>Motor-cycle</i>	<i>Private car</i>	<i>Taxi</i>	<i>Public Light Bus</i>	<i>Public Bus</i>	<i>Goods Vehicle</i>	<i>Total (All motor vehicles)</i>
2003	18	136	85	26	8	50	313
2004	13	127	67	30	15	57	299
2005	13	127	74	15	15	50	286

(ii) *Number of casualties*

<i>Year</i>	<i>Motor-cycle</i>	<i>Private car</i>	<i>Taxi</i>	<i>Public Light Bus</i>	<i>Public Bus</i>	<i>Goods Vehicle</i>	<i>Total (All motor vehicles)</i>
2003	20	244	147	45	18	90	545
2004	19	249	110	79	42	104	615
2005	26	214	116	55	47	108	560

Note: If more than one vehicle types are involved in one single accident, the accident and casualties involved will be repeatedly included under respective vehicle types.

## (5) Accidents involving drivers falling asleep/feeling drowsy/having sudden illnesses

## (i) Number of traffic accidents

Year	Motor-cycle	Private car	Taxi	Public Light Bus	Public Bus	Goods Vehicle	Total (All motor vehicles)
2003	4	46	15	5	2	30	102
2004	3	42	19	3	6	30	106
2005	2	33	13	6	5	23	83

## (ii) Number of casualties

Year	Motor-cycle	Private car	Taxi	Public Light Bus	Public Bus	Goods Vehicle	Total (All motor vehicles)
2003	4	74	23	18	2	46	167
2004	4	56	23	9	15	57	169
2005	2	71	34	7	11	40	166

Note: If more than one vehicle types are involved in one single accident, the accident and casualties involved will be repeatedly included under respective vehicle types.

## (6) Accidents involving speeding

## (i) Number of traffic accidents

Year	Motor-cycle	Private car	Taxi	Public Light Bus	Public Bus	Goods Vehicle	Total (All motor vehicles)
2003	74	166	61	12	38	95	449
2004	53	130	67	25	28	69	377
2005	44	111	61	22	29	68	334

## (ii) Number of casualties

Year	Motor-cycle	Private car	Taxi	Public Light Bus	Public Bus	Goods Vehicle	Total (All motor vehicles)
2003	94	255	76	33	54	119	634
2004	58	196	81	69	61	94	564
2005	50	158	78	45	59	82	471

Note: If more than one vehicle types are involved in one single accident, the accident and casualties involved will be repeatedly included under respective vehicle types.

## (7) Accidents involving drink driving

(i) *Number of traffic accidents*

<i>Year</i>	<i>Motor-cycle</i>	<i>Private car</i>	<i>Taxi</i>	<i>Public Light Bus</i>	<i>Public Bus</i>	<i>Goods Vehicle</i>	<i>Total (All motor vehicles)</i>
2003	7	81	1	1	0	14	104
2004	14	61	2	1	1	16	97
2005	6	68	4	0	0	10	88

(ii) *Number of casualties*

<i>Year</i>	<i>Motor-cycle</i>	<i>Private car</i>	<i>Taxi</i>	<i>Public Light Bus</i>	<i>Public Bus</i>	<i>Goods Vehicle</i>	<i>Total (All motor vehicles)</i>
2003	9	140	1	2	0	23	175
2004	15	100	2	1	1	19	140
2005	7	126	5	0	0	13	151

Note: If more than one vehicle types are involved in one single accident, the accident and casualties involved will be repeatedly included under respective vehicle types.

**MR ANDREW CHENG** (in Cantonese): *President, the Secretary mentioned in the fourth paragraph of the main reply that active efforts would be made to explore the installation of CCTVs on goods vehicles, and that the Bureau hoped to conduct public consultation in three months' time. I wish to tell the Secretary that since five accidents involving reversing goods vehicles have occurred recently, resulting in the loss of six precious lives, this is already a very clear and sad answer. Can the Secretary do away with the timetable for public consultation and proceed to amend the legislation as soon as possible by year-end, that is, within the remaining month or so? Otherwise, could the Secretary support the private Member's bill drafted by me, enacting legislation to require such goods vehicles to install CCTV systems to minimize casualties?*

**SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS** (in Cantonese): We really think that devices, for example, sensors or video systems at the rear, for ensuring safety while reversing can help drivers when reversing. I mentioned in the main reply earlier that since there are many types of vehicles, if legislation is to be introduced, it must be enforced effectively.

Moreover, we have to consider each type of vehicle so as not to create problems or blind spots in operation upon the installation of these systems. That is to say, although we hope that it could be safer, it turns out not to be the case in reality. Therefore, I wish to discuss with the trade. Right now, our discussion in this Council of course unanimously concludes that if we want to bring down the number of traffic accidents, we will have to make use of technology and all kinds of assistance by all means to help professional drivers to reduce the chances of accidents happening. However, after all, we can only implement the measures after consulting the trade clearly. I can promise Mr CHENG that we will handle the matter soon and will not procrastinate. Nonetheless, we must have thorough discussion and discussion with the trade.

**PRESIDENT** (in Cantonese): Twelve minutes have already been spent on the exchange between Mr Andrew CHENG and the Secretary. Since the Secretary's reply today is relatively comprehensive, I will give more time for this question so that Members can ask supplementary questions. A total of nine Members are waiting for their turns to ask supplementaries. Members will please be concise when asking questions.

**MR CHEUNG MAN-KWONG** (in Cantonese): *President, for accidents involving reversing, the responsibility definitely lies with the drivers because the pedestrians in general may not realize the drivers will reverse suddenly, or even know they have to evade on hearing any sound of reversing. This paper indicates that even with the fitting of devices which will give an audible warning when reversing, casualties will only be reduced by around 20%. We can thus see that the effect is limited. In the five accidents involving reversing which happened recently, six lives have been lost and these people in fact should not have died. However, why has the Bureau not indicated a clear decision in the main reply regarding the installation of CCTVs? Why is there not a timetable? Does the Secretary think that the public can accept such sluggish manner? How many more people have to die before the Secretary can show her resolve and draw up a timetable?*

**SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS** (in Cantonese): Just as any accidents, traffic accidents are accidents, that is, they occur out of expectation. I believe there is no city worldwide which has no traffic accidents. The data on accidents involving reversing have remained

more or less the same all these years, and such accidents constitute a rather major danger. However, the fitting of reversing sensors and video systems is only one of the ways, and not all vehicles can use them. For example, vehicles with rear platforms cannot be fitted with such installations, and for dump trucks, since the dumpsters have to be fully tilted, it is also impossible for such installations to be fitted. If we enact a piece of legislation which cannot be applied to all vehicles, we have to list clearly which vehicles are mandated to install video systems.

In addition, drivers cannot rely on any one device or technology to replace their safety awareness when driving. Actually, reversing is dangerous at all times because drivers' vision is limited. As for pedestrians, they are also responsible, they are not totally right. Checking on past files, it is indicated that some pedestrians walked on roads instead of pavements. These pedestrians should also pay attention to road safety. To reduce traffic accidents, we believe all parties should co-operate instead of relying solely on one party, but I can tell Mr CHEUNG that we will introduce legislation soon. That said, I also hope that we will not totally rely on this video system, thinking that it will be very safe with such installation. We after all have to remind everyone that all parties have to do their best to pay attention to traffic safety.

**DR KWOK KA-KI** (in Cantonese): *President, we of course understand that not all drivers should or can possibly undergo medical examination, but focusing on the recent spate of accidents involving buses or heavy vehicles, we very often learn from reports that this may be related to the health condition of drivers. In overseas countries, drivers of heavy vehicles, including bus drivers, have to undergo medical examination every year. The Secretary stated in the main reply that as money is involved, there will not be such an arrangement. Is this an indication that the Government does not consider that human lives are precious, and that only money for the franchised bus operators comes first?*

**SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS** (in Cantonese): I think Dr KWOK has not paid attention to my reply. I only said that there are about 1.6 million commercial vehicle driving licence holders, so it is impossible for us to require all such drivers to undergo medical examination every year. However, among the franchised bus companies, Citybus, New World First Bus and New Lantao Bus all require drivers aged above 50 to have a body check every year, and Kowloon Motor Bus requires drivers aged above 60 to have a body check every year. Kowloon Motor Bus

and Long Win Bus have agreed that drivers aged 50 or above should undergo a body check every year. These companies operating heavy buses or franchised buses and which are organized have this system in place, so I only said that we cannot impose this requirement on all holders of this kind of commercial vehicle driving licence.

**MR LEE CHEUK-YAN** (in Cantonese): *With five accidents involving reversing and six lives sacrificed, the Secretary in return just commented "accidents are accidents", I consider this to be responsibility-shirking and a seeming attitude of "couldn't care less". The Government should change its attitude and really be more caring because this is a matter of life.*

*President, the Secretary said earlier that legislation would be introduced. That being the case, why can she not express clearly that the Government has now started the legislative work and then discuss technical problems with the trade? The Bureau should not use technical problems as the reason for delaying the whole issue. If the Government has to wait till technical problems have been solved before introducing legislation, we will not know for how long we have to wait. They can in fact be proceeded with in parallel. Can the Secretary make it clear here today that the Government has now started the legislative work and will table the bill to the Legislative Council soon, while in the meantime, the Secretary will also discuss with the trade? In this way, the problem will be addressed. Why does the Government have to behave in such a way as if it does not care? This will make us feel that this Government is very cold-blooded.*

**SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS** (in Cantonese): Talking about the Government's efforts to reduce traffic accidents, we are not doing things just because we see that one or two accidents have happened. This is a long-term job. Every year, we conduct a review very carefully to find out whether the relevant measures can enhance traffic safety. I would like to provide Members with some figures. All these years, the number of traffic accidents has been on the decline. The number of accidents caused by every 1 000 vehicles has dropped from 1.62 in 1981 to 0.8 in 1991, and in 2005, the figure was only 0.26.

However, I just want to tell one truth, that is, it is impossible for us to bring the number of accidents down to zero. It is of course a good thing for

Members to be concerned about accidents because we can take this as an opportunity to handle some legislation which has to be tightened. Without the support of the community or the Legislative Council, such legislation will not be passed. I am very experienced with these circumstances. For example, when addressing the issue of demerit points system for jumping traffic lights, although work had been going on for months, about more than six months, clear consultation had to be launched and support from all parties had to be garnered before the job was eventually accomplished. Our colleagues have now begun to study the Road Traffic (Construction and Maintenance of Vehicles) Regulations (Cap. 374A) to consider what changes in law to be made. We will definitely proceed simultaneously. When drawing up the legislation, if we find that a certain type of vehicle has to be regulated, we will consult the trade at the same time.

**MR LEE WING-TAT** (in Cantonese): *President, of course I know the Secretary is doing her job, but up till now, the community has been concerned about this problem for almost six months. One contradiction of the Secretary is — I am aware that it is easier for some vehicles to be fitted with these devices, but for other vehicles — like the dump trucks and vehicles with rear platforms mentioned by the Secretary, the case is different. Has the Secretary come up with ways to first introduce legislation for vehicles in general, and then handle those two or three types of vehicles which are more difficult to tackle? Is this feasible? Then, Mr LEE Cheuk-yan and Mr Andrew CHENG will not feel that on this issue, the Secretary has just had discussions for six months — in the Transport Panel alone, this has been discussed twice or thrice. Is this feasible?*

**SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS** (in Cantonese): We are now working in this direction, studying which types of vehicles should be exempted. This is very important because we do not wish to discover, after exempting some vehicles, that they can actually be fitted with those devices. We must explain clearly to the vehicle suppliers and sometimes, they can think of ways and we can ask them to do it. On the surface, it may seem difficult, for example, wires have to be re-connected, but if the suppliers can do so in the structure of the vehicles, we also hope to minimize the scope of exemption. This is what we mean.

**MR LEE WING-TAT** (in Cantonese): *President, the Secretary has not answered my supplementary question. I know the Administration will grant*

*exemptions but my supplementary question is: Since the more difficult part has been laid aside, why is there no achievement after tackling the issue for six months?*

**PRESIDENT** (in Cantonese): You may sit down. Secretary, please reply.

**SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS** (in Cantonese): This is because we have to study which types of vehicles to exempt. To put it simply, vehicles which may have to be exempted on the surface may not necessarily have to be exempted, but we also want to include these vehicles in the not-to-be-exempted category. This is what we mean.

**PRESIDENT** (in Cantonese): We have spent more than 23 minutes on this question. Last supplementary question.

**MS LI FUNG-YING** (in Cantonese): *The Secretary has mentioned that there are many types of vehicles, and there is certain difficulties in fitting devices such as sensors. Talking about accidents involving reversing, on the part of drivers, they very often have to pay attention to both the road conditions and the vehicles they are driving, and the roads are too narrow. In the process of introducing legislation or at the present initial stage, would the Secretary discuss with the trade to firstly require special vehicles to have escorts in order to solve some problems? That is, to have an extra escort on the vehicle to reduce accidents involving reversing?*

**SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS** (in Cantonese): We have proposed adding an extra escort on the vehicle in the meeting of the Transport Panel, counting on assistance from a third party to avoid accidents when reversing. Although we consider that this may be an option, we have to examine if this is operationally viable for the trade and must discuss with the trade. Moreover, it is a fact that even with an escort, accidents have happened in the past. Therefore, as the Government, we must clearly consider all the pros and cons before making rigid requirements, and this is a decision which has to be made very carefully.

**PRESIDENT** (in Cantonese): Fourth question.

### **Prevention of Hill Fires**

4. **MR CHEUNG HOK-MING** (in Cantonese): *President, it was reported that the serious hill fire broke out recently in Tai Lam Country Park spread over an area of 460 hectares, destroying 66 000 trees and affecting the animals which used to inhabit there. It is estimated that it will take more than 10 years to restore the burnt woodland. Regarding the efforts in preventing and fighting hill fires, will the Government inform this Council:*

- (a) *whether it has reviewed the efficacy of the education and publicity efforts or measures for hill fire prevention, in view of the rise in the number of hill fires around the Chung Yeung Festival this year as compared to that of the same period last year; if it has, of the results of the review; whether it will review if the existing facilities for hill fire prevention, such as fire breaks, green belts, water storage points and water tanks are really effective in preventing fire under different topographical and terrain situations;*
- (b) *whether it has explored if there is room for improvement in the hill fire detection system and the roster mechanism of the fire crew stationed in the country parks so that hill fires can be timely detected and put out immediately; whether it will explore and acquire more effective fire-fighting equipment to cater for the topographical needs of the country parks in Hong Kong; and*
- (c) *apart from the abovementioned measures, whether there are other options for enhancing efforts in preventing and fighting hill fires?*

**SECRETARY FOR SECURITY** (in Cantonese): Madam President, during the Chung Yeung Festival this year, the dry weather has increased the risk of hill fires. It took more than 51 hours to put out the hill fire that broke out in Tai Lam Country Park on 1 November. This was mainly because the strong winds prevailing in the area (typhoon signal No. 1 was hoisted in Hong Kong) caused the hill fire to spread quickly and extensively. The steep and hilly terrain also increased the difficulty of the fire-fighting work.

Regarding the three parts of the question, my reply is as follows:

- (a) The Government attaches great importance to the publicity and education work on the prevention of hill fires. Around the Ching

Ming and Chung Yeung Festivals over the past few years, the Task Force on Hillfires (co-ordinated by the Security Bureau and comprising member departments including the Fire Services Department (FSD), the Agriculture, Fisheries and Conservation Department (AFCD), the Government Flying Service (GFS), the Civil Aid Service (CAS), the Auxiliary Medical Service, the Home Affairs Department and the Information Services Department), in collaboration with district organizations, voluntary organizations and public transport companies have stepped up the dissemination of hill fire prevention messages to the public. We have also disseminated such messages to the public and urged grave-sweepers to handle fire with care through the media such as television, radio and the Internet. In addition, on the days when the risk of hill fire is high, the AFCD will deploy special enforcement teams to patrol hill fire black spots and prosecute those starting fires illegally. In this respect, the decrease in the number of hill fires from about 3 000 in 1999 to about 1 500 to 2 000 per year in recent years indicates that the publicity and education efforts have been quite effective. Nevertheless, we will continue to review and enhance our work in the hope of gaining the support of the public so that they will avoid leaving unextinguished fires which may cause hill fires when hiking or grave sweeping.

Regarding the prevention of hill fires, the AFCD establishes fire breaks in suitable locations of country parks and removes weeds at major or new plantations, forest tracks and major country trails before each year's dry season in order to impede the spread of hill fires. This year, for example, the AFCD established 50 km of fire breaks in various country parks. In the recent hill fire in Tai Lam Country Park, the above measures proved effective in protecting some of the trees in the area. The AFCD has also constructed 37 underground water tanks with a capacity of about 30 000 litres each at strategic locations in country parks for providing water source to put out hill fires. The AFCD will continue to review, and consider the provision of additional fire breaks and underground water tanks at appropriate locations.

- (b) The Government attaches great importance to detecting and fighting hill fires in country parks. At present, there are 11 fire lookouts established by the AFCD. During the hill fire season from every September to the following April and after considering various

environmental factors (such as humidity, wind speed and festive customs), the AFCD will, as necessary, deploy staff to carry out 24-hour hill fire monitoring in order to detect hill fires as early as possible and arrange fire crews to station at various country park management centres round the clock so that they could be deployed to put out hill fires at the outset of an outbreak.

Government departments review the strategies and equipment for fighting hill fires from time to time in order to further enhance the efficiency in combating hill fires. For example, the AFCD has upgraded four helipads in country parks to facilitate GFS helicopters in assisting the fighting of hill fires. In addition, the FSD, AFCD and CAS have also acquired newly designed knapsack pumps for combating hill fires. The newly designed knapsack pumps are lighter and easier to carry than those fire-fighting equipment used in the past.

- (c) With the concerted efforts of government departments and the public, the number of hill fires in recent years has decreased when compared with many years ago. However, as the countryside covers 70% of Hong Kong's area and according to experience, many hill fires occurred near private cemeteries scattered all over the New Territories, the Government will continue to disseminate fire prevention messages, through the Heung Yee Kuk, Rural Committees and District Fire Safety Committees, to remind the public to handle fire with care and conserve the countryside. In the coming Ching Ming and Chung Yeung Festivals, we will also deploy more staff and volunteers (such as Fire Safety Ambassadors or green groups) to step up publicity and education work at the main entrances and exits to private cemeteries, with a view to further reducing the occurrence of hill fires. We hope that the public will continue to support the Government's fire prevention efforts and join hands to protect the countryside.

**MR CHEUNG HOK-MING** (in Cantonese): *President, in the main reply, the Secretary mentioned a lot of measures for the prevention of the spread of hill fires, and he gave particular mention to the 50-km fire breaks established by the AFCD in various country parks this year and their effectiveness in the recent hill*

*fire. As the use of fire breaks is the most primitive and effective measure in preventing the spread of hill fires, will the Government inform us of the proportion of the coverage of these 50-km fire breaks to the total area of country parks in Hong Kong? Is this adequate? If it is inadequate, what is the plan for the coming year?*

**PRESIDENT** (in Cantonese): Which Secretary will answer the question?  
Secretary Dr Sarah LIAO.

**SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS** (in Cantonese): President, Mr CHEUNG's supplementary question asked whether the 50-km fire breaks were adequate. Actually, this should not be assessed on the scale of coverage. We must identify some strategic locations which can effectively separate one area from the other, for this is how a fire break works. I believe it is not the percentage of area these fire-breaks cover that matters, but whether the strategy adopted is correct.

We also see that with the establishment of these fire breaks, there has been improvement in terms of the number of hill fires and our control of hill fires. Certainly, if more fire breaks can be set up at suitable locations, the area that may be affected by hill fires will be further reduced.

**MR LAU WONG-FAT** (in Cantonese): *Madam President, roads where serious traffic accidents occur frequently will be designated as traffic black spots by the police and measures focused on the situation will be implemented. Will the Government consider reviewing the situation of hill fires, specifying certain hills with frequent occurrence of hill fires as black spots, and formulate particular fire-fighting measures pinpointing those black spots?*

**SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS** (in Cantonese): Around the Ching Ming and Chung Yeung Festivals, for known black spots of hill fire, such as private cemeteries, special enforcement teams and patrolling teams are deployed during the high-risk days of hill fire to advise the public not to light a fire illegally and to prosecute those who do so.

**MR TAM YIU-CHUNG** (in Cantonese): *President, I have three suggestions and would like to know whether the Government will consider them.*

*First, a follow-up on a point mentioned by the Secretary in her reply to Mr LAU Wong-fat's question. In addition to publicity and education, will the Government step up its measures at the main entrances and exits to private cemeteries to impose a total ban on the bringing of joss sticks and joss paper up the hill? Second, in addition to prosecution, will the Government consider increasing the penalty on persons leaving a fire unextinguished or burning items inconsiderately? Third, on the Mainland, certain species of trees with higher resistance to fire are planted. If we could also plant those species in Hong Kong, the risk of hill fire may be reduced. For instance, we may plant species like Woodland-Elaeocarpus, Myrica rubra, mytilaria laosensis, Jambolan Plum, and so on. May I ask the Secretary whether she will consider these?*

**PRESIDENT** (in Cantonese): Mr TAM Yiu-chung, how are these points raised by you related to each other? If they are not related, I will take them as three supplementary questions raised by you.

**MR TAM YIU-CHUNG** (in Cantonese): *President, the main reason is that, despite the number of measures mentioned by the Secretary, these three points which I consider are related to the prevention of hill fires have not been mentioned.*

**PRESIDENT** (in Cantonese): Mr TAM Yiu-chung, your supplementary question is in fact asking whether the Government has other measures, such as these three types of measures.

**MR TAM YIU-CHUNG** (in Cantonese): *Yes, thank you, President.*

**SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS** (in Cantonese): President, if we can implement measures at various cemeteries to prohibit the bringing and burning of joss sticks and joss paper, it will certainly be the most desirable method. We also hope that if this suggestion is introduced, it can have the support of all parties, including members of the rural areas, for this

is the most fundamental way to ameliorate the problem of fires being left unextinguished.

Moreover, in respect of penalty, under an existing law in Hong Kong, the Forests and Countryside Ordinance, any person who has lit, or is using a fire which was lit, in or near these places commits an offence, and is liable to a maximum fine of \$25,000 and one year's imprisonment. This is the stipulation in one of the ordinances. There is another ordinance, the Country Parks Ordinance, which stipulates that any person who lights or uses fire in areas not designated as barbecue sites or camping sites commits an offence and is liable on conviction to a fine of \$5,000 and one year's imprisonment. Under existing laws, the penalty of one year's imprisonment is already included, which is adequate to serve as a deterrent. The most important point is that Judges will mete out the maximum penalty in passing sentences.

In respect of the species of plants to be planted, in the environment of Hong Kong, certain species of trees are relatively flammable. Take the famous Acacia as an example. It has the advantage of releasing nitrogen fertilizers to the soil. Therefore, more often than not, the Acacia species are planted on slopes to improve soil quality. However, we have also considered planting other species, such as Cinnamomum camphora, Schefflera octophylla, Schima superba, and so on; these are all relatively good species. However, in respect of the species mentioned by Mr TAM earlier, we hope you will let us first consider whether the introduction of these foreign species will affect the ecology in Hong Kong at large, for this is a point which we have to consider in addition to the fire resistance of these species. We are prepared to put in more efforts in this respect.

**DR LUI MING-WAH** (in Cantonese): *President, surely, it is most desirable that hill fires can be discovered at the early stage, but according to part (b) of the main reply of the Government, the AFCD has only established 11 fire lookouts, which seems inadequate. Since the Government now uses new technology, may I ask the Government whether it will consider deploying balloons or pilotless aircrafts during high-risk days like the Chung Yeung Festival to watch out for hill fires?*

**SECRETARY FOR SECURITY** (in Cantonese): Madam President, we do deploy GFS helicopters to carry out surveillance on high-risk days of hill fire.

As for the use of balloons as the Member suggested, we have to conduct further studies after the meeting.

**DR LUI MING-WAH** (in Cantonese): *The Secretary has not answered the part about the deployment of pilotless aircraft.*

**PRESIDENT** (in Cantonese): Secretary, it is the part about the deployment of pilotless aircraft.

**SECRETARY FOR SECURITY** (in Cantonese): Madam President, at present, we have no plans to use pilotless aircraft, for these are military grade equipment and it is quite difficult for Hong Kong to procure them.

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

**MISS TAM HEUNG-MAN** (in Cantonese): *President, the Secretary said earlier that patrol and enforcement work would be stepped up. Will the Secretary tell me whether these measures have been effective and whether significant improvement has been made?*

*May I ask the Secretary of the number of hill fires caused by unextinguished fires and the number of successful prosecutions initiated by the authorities against persons leaving fires unextinguished in the past three years? I would like to know whether the relevant enforcement measure is effective in reminding the public to prevent hill fire.*

**PRESIDENT** (in Cantonese): Which Secretary will answer this question? Secretary Dr Sarah LIAO.

**SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS** (in Cantonese): President, in respect of surveillance and patrol, on the day of the

Chung Yeung Festival, 150 Field Assistants from the AFCD, accompanied by officers from the FSD, Hong Kong Police Force and CAS, carried out publicity work, hill fire prevention patrol and enforcement work at black spots of hill fire to protect the country parks. On that day, four offenders were prosecuted.

As for the period from 2001 to today, a total of 65 persons have been prosecuted for illegal lighting and use of fire at country parks or forests, and were fined from \$200 to \$2,000. Moreover, the figures for each of the year between 2001 and 2006 were largely the same.

**MISS TAM HEUNG-MAN** (in Cantonese): *I asked about the effectiveness of the measures just now. If the figures are largely the same between 2001 and 2006, does it mean that no significant improvement has been made?*

**PRESIDENT** (in Cantonese): Secretary, Miss TAM asked about the effectiveness.

**SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS** (in Cantonese): If you want to know the effectiveness, the number of cases concerned has been decreasing. However, I still find the rate of decrease unsatisfactory. For instance, in 2003, there were 59 cases; and in 2004, there were 67 cases, which meant there was an increase. But there were 44 cases in 2005 and 33 cases in 2006. In other words, the situation has improved slightly, only that the improvement is not marked.

**PRESIDENT** (in Cantonese): Fifth question.

### **Regulation of Major Tourism Facilities**

5. **MR WONG YUNG-KAN** (in Cantonese): *President, recently, incidents and chaos occurred during the initial operation of some newly developed major tourism facilities in Hong Kong such as the Ngong Ping 360 cable car system (NP 360) and the Hong Kong Disneyland (HKD). In this connection, will the Government inform this Council:*

- (a) *given that the operator of NP 360 has announced earlier that the media and the public will be informed immediately of any expected delay or suspension of cable car service for 30 minutes or more, whether the Administration has conducted any study to see if the 30 minutes specified in the notification mechanism is a reasonable period; whether such arrangement can enhance the transparency of the operation of the company; whether it is reasonable that failures of the conveyor rail system occurred a little more than a month after commencement of its operation, and whether the above incidents are detrimental to the confidence of tourists and the public; if it has, of the results;*
- (b) *whether it has conducted any study on the causes of the chaos and unsatisfactory operation of the newly developed tourism projects such as NP 360 and the HKD, and how the Government should modify its role in the development of these projects; if it has, of the results; if not, the reasons for that; and*
- (c) *whether it will conduct any study on how the Government can strengthen its regulation on and increase its support to the operators of major tourism facilities so as to enhance the competitiveness of Hong Kong's tourism industry and promote its long-term development; if it has, of the details of the study?*

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

- (a) Under the current notification mechanism of NP 360, Skyrail will inform the public through the electronic media once the cable car service is expected to be delayed or suspended for 30 minutes or more, instead of 30 minutes after occurrence of the incident. Under this arrangement, Skyrail will assess as soon as the incident has occurred whether the delay will last for 30 minutes or more, and decide whether it is necessary to activate the notification procedure immediately.

Moreover, immediately after the incident, Skyrail will deploy its staff to explain the situation to visitors on site, inform the passengers of the latest situation through the announcement system, and notify the tour groups that have made bookings to ensure that visitors

affected are aware of the latest situation as soon as possible. The MTR Corporation Limited (MTRCL) will also convey the messages through broadcast at the MTR Hong Kong Station, Lai King Station and Tung Chung Station, as well as notices in various MTR stations. We consider that the arrangements under the current notification mechanism are reasonable and have enhanced the transparency of Skyrail's operation.

(b) and (c)

The HKD is an important part of our tourism infrastructure. It helps promote Hong Kong as the premier destination for family tourists in the region. Since its opening in September 2005, the HKD has adjusted its operation and fine-tuned its marketing strategy in the light of market demand in Hong Kong and the Mainland and its operation experience. The HKD will continue to step up promotion overseas and in the Mainland to attract more visitors to the HKD.

As shown by the HKD's visitor survey, about 80% of the respondents indicated that they would visit the HKD again, while over 90% of its hotel guests were satisfied with the services. The survey results show that visitors find the HKD's performance satisfactory. In addition, for the first half of 2006, overnight family visitors grew by 24% over the same period last year. 36% of our overnight family visitors have brought along their children (compared to 20% over the same period in 2005). The Government will continue to monitor the performance of the Hongkong International Theme Parks Limited through its Board of Directors.

NP 360 has just opened for two months. Skyrail will fine-tune its operational process in the light of experience with a view to enhancing its standard of service. Since its commissioning, the patronage of NP 360 has exceeded 320 000. According to a survey conducted by Skyrail, 99% of visitors are satisfied with their cable car experience. Both the MTRCL and Skyrail understand the public expectation, and will continue to strive for further improvement in the cable car operation to make NP 360 more popular to the tourists.

In respect of the Government's monitoring of major tourism infrastructure facilities, take NP 360 as an example, the Government granted the MTRCL a 30-year franchise based on a Build-Operate-Transfer model to finance, design, construct, operate and maintain NP 360, and required the MTRCL to manage the project under the Tung Chung Cable Car Ordinance and Project Agreement. Moreover, the design, construction, installation, operation and maintenance of the Ngong Ping cable car system are under the supervision of the Electrical and Mechanical Services Department (EMSD) in compliance with the Aerial Ropeways (Safety) Ordinance. On this basis, the Government has been closely liaising with the MTRCL and Skyrail before and after the commissioning of the cable car system to monitor its safe operation, advise on its operation, and provide assistance and support, such as crowd control, traffic management, and so on, as and when necessary. Skyrail is required to submit quarterly inspection reports on the cable car system to the EMSD, and commission an independent surveyor to inspect the entire cable car system with a report submitted to the EMSD annually. The EMSD will from time to time monitor the operation and maintenance of the cable cars on site.

The Government will continue its efforts in maintaining close liaison with the operators of these tourism facilities to ensure their smooth operation. Skyrail and HKD are working with the Hong Kong Tourism Board (HKTB) and the travel trade to actively promote among the source markets with a view to promoting the visitors' awareness of and interest in these facilities. This will in turn boost the long-term tourism development of Hong Kong.

**MR WONG YUNG-KAN** (in Cantonese): *President, part (a) of my main question asked whether the Government would shorten the 30 minutes period specified under the notification mechanism, but the Government responded that at present, notification would be announced once an incident occurred. However, the problem lies in the timing the notification is announced at the occurrence of an incident, so to speak. Will advance notification to the public be made possible, will it be so splendid?*

**SECRETARY FOR ECONOMIC DEVELOPMENT AND LABOUR** (in Cantonese): I have made it very clear in my reply that the notification mechanism had now been enhanced. Members may recall that in the past, notification would only be given after more than 30 minutes. But now, it is stipulated clearly under the mechanism that Skyrail should immediately notify the public when it knows that the service will be suspended for more than 30 minutes. Certainly, when Skyrail knows the suspension of cable car service and reckons that the suspension will last more than 30 minutes, it will not wait for 30 minutes before notifying passengers but will probably do so 10 minutes later when it comes to the estimation that the suspension will last for 30 minutes or even an hour. In that case, immediate notification is required. We consider such an arrangement appropriate.

**MRS SELINA CHOW** (in Cantonese): *During the initial operation of NP 360, there were actually some problems. However, during a recent visit to NP 360, we think that it is indeed excellent now. Many colleagues do agree that NP 360 brings into play the special features of Hong Kong, particularly the green sides of Hong Kong, in the greatest measure.*

*The uniqueness of NP 360 lies in the availability of the many tourism facilities in its vicinity, which is magnificent. Upon the commencement of operation of NP 360, many other facilities are linked up. May I ask the Secretary whether the Government is prepared to take full advantage of the synergy effect to promote or lead the management companies of these various facilities to come together, putting on full display the synergy effect, particularly in terms of software, to attract more tourists?*

**SECRETARY FOR ECONOMIC DEVELOPMENT AND LABOUR** (in Cantonese): I have to thank Mrs Selina CHOW for this suggestion. I believe she, as the Chairman of the HKTMB, knows clearly the strong attraction of this synergy effect.

We all know that Ngong Ping Village is close to the Po Lin Monastery and provides convenient access to the Wisdom Path. When one arrives at Tung Chung, it will be very convenient to take land transport to places like Tai O. In the promotion of tourism, we absolutely agree that efforts should be made in this respect, and that promotion of all these attractions should be launched collectively.

Moreover, in respect of information or other aspects, synergy effect should be generated and brought to light. In this respect, we will enhance our co-operation with the Po Lin Monastery and the persons-in-charge of the relevant attractions with regard to promotion, dissemination of information and other aspects.

**MRS SELINA CHOW** (in Cantonese): *The Secretary has not answered my supplementary question. Actually, I asked whether the Government would take a leading role to pull together the various management companies. I do not refer only to the promotion or dissemination of information in this respect, but also the display of the synergy effect of software as a whole in enhancing our attraction to tourists.*

**SECRETARY FOR ECONOMIC DEVELOPMENT AND LABOUR** (in Cantonese): For any work that is related to the enhancement of promotion of tourism, we are more than willing to pursue.

**MR CHIM PUI-CHUNG** (in Cantonese): *President, with regard to part (b) of the main reply on whether or not studies on causes of the chaos and unsatisfactory operation have been conducted by the Government, has the Government ever conducted a study on the management culture and practices of the senior management? Is it their arrogance that makes the better co-operation of other staff members to serve Hong Kong become impossible?*

**SECRETARY FOR ECONOMIC DEVELOPMENT AND LABOUR** (in Cantonese): The management and operation of NP 360 and HKD surely have a bearing on the success of these facilities. Therefore, in various aspects, as I said in my main reply, the Government will maintain close liaison with the Board of Directors, or the MTRCL and Skyrail in the case of NP 360. Whenever an incident occurs, they will be required to submit reports. More so, we have all along paid attention to the performance of the management. In other words, all along, we have been keeping watch on different aspects via the existing mechanism. Members may also be aware that improvement has been made persistently. We all know that NP 360 has only come into operation for two months. There were really some problems at the initial stage, but all along, we have required them to submit reports and the EMSD has maintained close liaison

with the MTRCL and Skyrail. Just as I have pointed out earlier, they are required to submit a number of reports on a quarterly and annual basis.

Moreover, Members may notice that the HKD has learnt from its experience in respect of management and other aspects after operating for a year and has adopted various measures in response to the prevailing demand of the market. For instance, it has issued a year pass after realizing that it is in demand in the market, and it has also increased other facilities. We can all see that the HKD is learning from its experience and we will continue to keep the situation in view.

**MR HOWARD YOUNG** (in Cantonese): *President, despite the various rumpuses caused by NP 360 and HKD since the commencement of their operation, I notice from the Secretary's reply that these facilities have made contribution to our tourism on the whole. I believe the person who promoted these two facilities on behalf of the HKTB out of his own pocket last year will also be glad about this.*

*I would like to ask a question about the fourth paragraph of the main reply wherein the Secretary stated that 80% of the visitors had indicated that they would visit the HKD again. When the survey was conducted, has the HKD differentiated local visitors from overseas visitors? For 80% is a very promising figure, but if the proportion of overseas visitors is not high, then there will be some problem.*

**SECRETARY FOR ECONOMIC DEVELOPMENT AND LABOUR** (in Cantonese): I do not have the details of the information like the classification of respondents, but I may give a reply to Mr Howard YOUNG in writing. (Appendix I)

**DR KWOK KA-KI** (in Cantonese): *President, I would like to follow up the part of the main question about the need of the Government to review its role. I would like to make a particular point with regard to the recent reports which state that the Government's investment on these facilities, particularly on the HKD, may be facing substantial loss. Will this affect the Government's involvement in tourism projects in future?*

**PRESIDENT** (in Cantonese): Dr KWOK Ka-ki, will you tell me how your supplementary question is related to the main question?

**DR KWOK KA-KI** (in Cantonese): *President, part (b) of the main question is about the change of the role of the Government. I only want to ask: Given the series of incidents occurred recently, including that the number of visitors of HKD has fallen below expectation and the relatively unsatisfactory performance of NP 360, will this affect the role played by the Government in these projects and will there be any change?*

**SECRETARY FOR ECONOMIC DEVELOPMENT AND LABOUR** (in Cantonese): In respect of our role, as I have said in the main reply earlier, we will exercise supervision through participation in the Boards or via the liaison with the MTRCL and Skyrail. The most important point is that we hope these tourist attractions and tourism facilities will meet our targets, attracting tourists to visit Hong Kong. Therefore, we all expect them to perform well.

Certainly, as Members have pointed out earlier, in both cases of the HKD and NP 360, problems did occur during the initial operation. However, we notice that all along, they have been able to learn from their operating experience and gained a better understanding of the demand of the market. More so, they have been making continuous adjustments in their marketing strategies, promotion or new facilities, and persistent improvement has been made. Therefore, we can see that the number of visitors visiting the HKD, for example, in the past year exceeds 5 million, and that 320 000 visitors have visited NP 360 since its operation commenced two months ago. Members may also notice that despite those incidents, the effect of our promotion for tourism has not been offset. We will continue to play our role in monitoring and overseeing, ensuring that they meet our requirements.

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

**MR FRED LI** (in Cantonese): *President, I would like to follow up the question on the HKD. To date, the HKD has operated for more than a year, and the Secretary had stated in this Council that he expected 5.6 million visitors would*

*patronize the park each year. I know this will be an unattainable target. Will the Secretary inform us here of the shortfall? What measures will be implemented in future to achieve this target by all means?*

**SECRETARY FOR ECONOMIC DEVELOPMENT AND LABOUR** (in Cantonese): I have already pointed out in my earlier reply to Dr KWOK Ka-ki that we surely hope these new facilities will perform well by all means and attract more tourists to Hong Kong.

I believe Members may recall that when the HKD first commenced operation, an incident occurred during the Chinese New Year owing to its fresh operation and lack of understanding of the market. These factors would have affected the number of visitors of the HKD. Having said that, the HKD had learnt from its operating experience, and then introduced some new entertainment facilities and marketing strategies. It has all along made persistent improvements and more than 5 million visitors have visited it in a full year. This is helpful to boosting Hong Kong's status as a family tourism centre.

As I have said in my reply to Dr KWOK Ka-ki's question, we will continue to monitor the situation, and it is hoped that the HKD will do better and make continuous adjustments in marketing and operation with a view to attracting more tourists to Hong Kong.

**PRESIDENT** (in Cantonese): Last oral question.

### **Hong Kong Tourism Board**

6. **MR FRED LI** (in Cantonese): *President, regarding the work of the Hong Kong Tourism Board (HKTB) to promote Hong Kong as a tourist destination, will the Government inform this Council:*

- (a) *given that the results of a reader survey on the world's best tourist cities conducted by a leading travel magazine show that Hong Kong's ranking in Asia has fallen from the third last year to the fifth this year, and tourist arrivals in Hong Kong during the recent National Day Golden Week holidays have dropped by 7% compared to the same period last year, whether the Government knows if the*

*HKTB has conducted studies on whether Hong Kong's attractiveness to tourists is diminishing; if that is the case, of the reasons for that, and whether the HKTB has drawn up any counter-measures in this regard;*

- (b) whether it knows the mechanism and procedure adopted by the HKTB for selecting mainland media for placing advertisements, the respective budgets on various types of media in the current financial year, and the mechanism adopted by the HKTB for monitoring the effectiveness of such advertisements; and*
- (c) as the staff of the HKTB are given a pay rise between 2% and 8% in the current financial year, whether the authorities have reviewed if the pay adjustment of the HKTB staff should be linked to the performance of Hong Kong's tourism industry; if the findings of the review are in the affirmative, whether the Government will request the HKTB to consider, in the light of the performance of Hong Kong's tourism industry, freezing the pay of all its senior staff?*

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

- (a) Hong Kong's visitor arrivals, after hitting a new record high of 23 million in 2005, continue to grow steadily in the first three quarters this year with an increase of 9.5% over the same period last year. Most of our markets including Europe, Africa, the Middle East, South and Southeast Asia, Australia and New Zealand, and so on, witnessed promising growth.

Mainland visitors remain Hong Kong's primary visitor source market, representing 55% of our total visitor arrivals in the first three quarters of 2006. With the Individual Visit Scheme (IVS) being increasingly popular, mainland visitor travel patterns have changed. They tend to spread out their visits to Hong Kong on non-peak seasons or general weekends to avoid crowds or peak season surcharges. Take the non-festive period of July, August and September as an example, mainland IVS visitor arrivals rose by 20% compared with the same period last year. Hence, we should not focus only on the figures of the Golden Week. As a matter of

fact, the overall mainland visitor arrivals in the first three quarters of 2006 increased by 11% over the same period of last year and among them, the number of IVS visitors has increased by 23%.

Turning to international markets, Hong Kong has also achieved respectable results. According to the statistics of the Pacific Asia Travel Association, Hong Kong's visitor arrivals have been recording an average annual growth of over 14% since 2001, higher than that of 6% achieved by the entire Asia-Pacific Region. Moreover, in the Most Popular Overseas Cities Competition organized earlier this year by two leading British newspapers, *The Guardian* and *The Observer*, Hong Kong's ranking rose to the top from the third last year. Among the readers' choices announced in this month's issue of the *Conde Nast Traveler*, an American travel magazine, Hong Kong was second among the top 10 Asian cities.

The HKTB has been regularly reviewing the effectiveness of its marketing initiatives and monitoring the performance of the source markets. In the light of the source market performance, the HKTB will fine-tune its marketing strategies and deploy its resources to the most cost-effective markets. The HKTB will continue to adjust its promotion strategies in response to the latest situation of international markets and the development of visitor source markets, with a view to reinforcing Hong Kong's position in international tourism markets.

- (b) The Mainland is a very huge market where provinces and cities differ in terms of economic development, and types and preferences of visitors. The number of countries granted Approved Destination Status has increased from 14 in 2000 to 81 in March this year. Hong Kong is facing keen competition in developing the mainland market.

To compete for the mainland market, the HKTB has been promoting the brand image of Hong Kong through diversified strategies, media and channels in the Mainland. Apart from consumer advertisements on television and in newspapers and publications, the HKTB has actively co-operated with the tourism industry and the media in promoting Hong Kong. Given the differences between mainland provinces and cities, the HKTB, in planning for

marketing, will consider the views of its mainland offices and the local travel trade as well as various factors such as the priorities of visitor source markets, market situations, promotion objectives, target clientele, media coverage, the creativity of marketing programmes and cost, so as to choose the most cost-effective types of marketing media.

The planning and co-ordination of the HKTB's promotion works in major source markets are assisted by a professional advertising company. The company is selected and approved by the Marketing and Business Development Committee of the HKTB Board which comprises the HKTB Board members. In the mainland market, due to the differences in the characteristics and strengths of different media in individual cities, the HKTB will inform the advertising company of the objectives, budget and targets of promotion programmes and the company will provide professional advice to the HKTB. All major promotion programmes will be subject to the final assessment and approval of the HKTB.

Under normal circumstances, the HKTB will choose the mainstream media, that is, leading newspapers, magazines and television channels with greater coverage, size of issue or viewership, for conducting consumer promotion. In 2006-2007, the estimated expenditure of the HKTB for placing advertisements on various types of mainland media, including television, print, websites and other channels, is approximately \$16.7 million.

Apart from implementing marketing programmes, it is important for the HKTB to establish a good working relationship with the travel trade, and the relevant mainland authorities in order to increase mainland visitors' awareness and interest to travel to Hong Kong. In addition to the general means of publicity, the HKTB launches promotion for target clientele in creative ways from time to time, for example, promoting the distinct characteristics of Hong Kong to local students and their parents in collaboration with mainland education authorities; promoting to the IVS segment through collaboration with the Public Security Bureau responsible for issuing IVS permits; encouraging mainland visitors to travel and spend in Hong Kong through joint publicity campaigns with credit card

companies; and promoting shopping in Hong Kong in an interactive manner in collaboration with mainland Internet websites during the Hong Kong Shopping Festival.

The HKTB has been relying on two methods to evaluate the effectiveness of various promotion activities in different visitor source markets. First, to monitor the media coverage and viewership/readership of the advertisements to see if they meet the expected targets, and second, to conduct market surveys on a regular basis to gauge tourists' opinions on Hong Kong as a premier travel destination.

In April 2006, the HKTB conducted a mainland market survey on "2006 Discover Hong Kong Year" campaign. It was found that Hong Kong was regarded as the premier destination of choice, with over 40% of the respondents intending to visit Hong Kong.

- (c) The HKTB has an established policy and mechanism on staff remuneration packages, which are endorsed by the HKTB Board. It commissioned an independent human resources consultant in 2002 to conduct a comprehensive comparison of the compensation and benefits for each level of staff in the organization with those in the market so as to devise a set of benchmarks and recommend appropriate remuneration packages.

Staff at the HKTB Head Office did not receive annual pay adjustment in the six-year period from 1999-2000 to 2004-2005, except for 2001-2002. In 2006-2007, staff of the Head Office received an average pay increase of 3%, which was determined with reference to the market pay trend in Hong Kong.

Based on the findings of the consultancy study, the HKTB will conduct annual pay reviews in accordance with prevailing market pay levels and trends. The pay adjustment for the senior staff of the HKTB is determined by the rating of their individual performance appraisals. The appraisal is based on a set of objective performance criteria, including personal competence, job performance and the overall tourism performance. If a member of the senior staff fails to deliver in any criteria, his/her performance rating will be affected and so will the pay adjustment.

**MR FRED LI** (in Cantonese): *President, the Secretary has dwelt at length accounting how many visitor arrivals there were and how satisfactory the situation is. He also said that "mainland visitors remain Hong Kong's primary visitor source market". However, unfortunately, the figures indicate that in September this year, the number of mainland IVS visitors to Macao was higher than that visiting Hong Kong. In addition, after the occurrence of the incident relating to the tour group from Qinghai, the number of mainland tour groups to Hong Kong has decreased immediately. This is indicative of the problems that we are facing. How is the Government going to co-operate with the HKTB or other groups in dealing with this kind of negative news and solve the problems that have now arisen in the tourism industry?*

**SECRETARY FOR ECONOMIC DEVELOPMENT AND LABOUR** (in Cantonese): Madam President, I thank Mr LI for this question. I wish to stress again that our performance in tourism is in fact quite respectable. Members can refer to the figures mentioned just now. In the first three quarters, the number of IVS visitors has in fact increased by 23%. Mr LI mentioned Macao just now. As Members all know, there are now many new hotels and casinos in Macao and of course, the number of visitors will increase. However, this does not matter and the most important thing is that we promote tourism together with Macao and the Pan-Pearl River Delta Region, that is, Hong Kong, Macao and Guangdong Province should promote tourism together and everyone will stand to benefit. In fact, there have all along been substantial increases in figures. Of course, we have to continue to make efforts, in particular, it is necessary to solve the problems caused by "zero-fare" tours mentioned by Mr LI just now. Madam President, in fact, we have been discussing this problem of "zero-fare" tours with various organizations and groups to see how it can be addressed. In the past two weeks, we have been discussing this problem with tour guide associations, the Immigration Department, Travel Industry Council, Consumer Council and HKTB. In the forthcoming meeting of the Panel on Economic Services, we will also provide a paper detailing the work in this area. I believe Mr LI will then have a better idea of the efforts we are making in various areas.

**MR BERNARD CHAN** (in Cantonese): *President, the Secretary mentioned the rate of pay increase in part (c) of the main reply. He said that no pay increase was given for five years except in 2001-2002, and for this year, that is, in 2006-2007, the rate of increase was 3%, that this 3% was in line with the market pay trend. However, on the other hand, the Secretary also talked about the*

*advice given by a consultant on performance appraisal. May I ask the Secretary how an increase of 3% — in fact, this is the market trend rate and it is not based on the performance of employees — can provide enough incentive to employees to make them do even better? In addition, was the rate of pay increase for all employees 3%? Is there another rate of increase for senior staff? Or does the figure of 3% include the rate of pay rise for senior staff? I believe if the rate is only 3%, it may not serve as an incentive for decision-makers to perform even better.*

**SECRETARY FOR ECONOMIC DEVELOPMENT AND LABOUR** (in Cantonese): I thank Mr Bernard CHAN for raising this supplementary. I wish to explain a little. What we are talking about, that is, the 3% mentioned by Mr CHAN is the average rate of increase for all staff, which was 3%. In other words, this is in fact flexible and it depends on the performance of the employee concerned and the other factors mentioned just now. If the employee concerned performed poorly, of course, no pay increase was given; if he did a good job, the rate of pay increase for him could be as much as 6%. What we are talking about is the overall situation, that the average rate of increase for staff at the HKTB Head Office was 3%. However, in addition to the overall rate, we still have the flexibility to determine whether a pay increase should be given according to the performance of an employee and if it should be, whether the increase should be 3%, 6%, 2% or 1%.

**MR BERNARD CHAN** (in Cantonese): *President, the Secretary has not replied as to whether the rate of increase for senior staff is included.*

**SECRETARY FOR ECONOMIC DEVELOPMENT AND LABOUR** (in Cantonese): Madam President, the senior staff receive a fixed remuneration and a variable part which forms part of the package. As I said in my main reply, variable pay is determined according to personal competence and performance. After our Establishment Subcommittee of Finance Committee has appraised their performance, it will then decide how much variable pay these senior staff members should receive.

**MISS CHAN YUEN-HAN** (in Cantonese): *Madam President, the Secretary mentioned the Ngong Ping 360 and the Disneyland when answering the previous*

*question and the Government has also made some efforts to develop tourism in recent years. However, on some local resources, the Government has been talking about eco-tourism, economic activities with local characteristics, heritage, and so on, for a long time. Even as we find figures that indicate Hong Kong's declining attractiveness to visitors, the Government says that this is not so and that Hong Kong remains quite attractive. May I ask the Government what actual plan it has in developing tourism, since tourism is an important pillar of our economy? How is the Government going to do a proper job of developing eco-tourism, tourism with local cultural characteristics and heritage tourism? What difficulties has the Government encountered in doing so? To take a case that we dealt with this morning as an example, there is a very famous market in Hong Kong, that is, Wan Chai Market, which is facing gradual closure. Furthermore, the clock tower, which is a heritage, will also be demolished. May I ask the Secretary what the Government's plan in developing tourism is? How is it going to deal with existing legislation that runs counter to developing tourism?*

**PRESIDENT** (in Cantonese): Miss CHAN Yuen-han, the subject of this question is related to the work of the HKTB but your question is about the policies and measures of the Hong Kong Government on tourism. The scope is larger than that of the main question. Can you relate the two of them?

**MISS CHAN YUEN-HAN** (in Cantonese): *President, they are relevant to one another. I will elaborate further. The main question says that the results of a reader survey on the world's best tourist cities indicate that Hong Kong's ranking has fallen. Then the Government says in reply to part (a) of the question that our ranking is rising. Although the Government says that it is rising, we believe it is falling. In view of this, I asked whether the Secretary could tell me how we could further develop our resources, so as to develop tourism if we wish to maintain the rising trend? President, I believe this is somewhat relevant to the main question.*

**PRESIDENT** (in Cantonese): Miss CHAN Yuen-han, as you said, the main question says that figures indicate Hong Kong's attractiveness is on the decline, therefore, the Member asking the question asked whether the HKTB has formulated any measure for this but he did not ask if the Government has formulated any measure in response. Perhaps you can take a look at the main question.

**MISS CHAN YUEN-HAN** (in Cantonese): *I know, I have taken a good look at this question and my supplementary referred to this question. In part (a) of the main reply, the Secretary said in reply to Mr Fred LI that some magazines say our ranking is on the rise but we believe that it is on the decline. What the Secretary means is that we are continuing to develop tourism and the HKTB is also monitoring the promotional efforts in this regard. Therefore, I ask the Government or the HKTB if they have any holistic thinking on promoting local tourism resources in Hong Kong. The Secretary himself is the head of the HKTB, so I hope he can reply.*

**PRESIDENT** (in Cantonese): Miss CHAN Yuen-han, allow me to modify your supplementary a little bit. You can ask if the Government will encourage the HKTB to develop the various items that, as you have said, may attract visitors. Will this do?

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

**SECRETARY FOR ECONOMIC DEVELOPMENT AND LABOUR** (in Cantonese): Madam President, I do not mind replying to Members' supplementaries. As I gather, Miss CHAN's greatest concern is about things like eco-tourism. In this regard, what can we do? Madam President, I wish to tell Miss CHAN that in fact, one very simple example is the Hong Kong Wetland Park and we can see that it is an item in eco-tourism or green tourism that is very popular. In addition, I believe Miss CHAN is also aware that we are also promoting eco-tourism in New Territories North and the HKTB is also promoting this. Furthermore, inter-island tourism projects are also organized and I believe there are a lot of books on eco-tourism. Of course, on heritage tourism, I believe Miss CHAN has visited the Lung Yeuk Tau Heritage Trail in Yuen Long and there are also a lot of trails on the heritage in Central. I will be happy to provide some booklets to Miss CHAN and explain to her in detail. Madam President, I do not wish to take up Members' time now.

**PRESIDENT** (in Cantonese): Members, Secretary, I also have to make one point clear, that is, it is necessary for me to enforce the Rules of Procedure, therefore, I have no idea if the Secretary is willing to answer a question.

However, regardless of whether he is willing, this is not a criterion for my consideration of whether or not to allow a Member to put a supplementary.

**MS EMILY LAU** (in Cantonese): *President, I also wish to follow up the issue of pay rises for the senior staff of the HKTB. President, Mr Fred LI's main question mentions that in 2006-2007, the staff of the HKTB was given a pay increase of 2% to 8%. Can the Secretary tell us what the rate of the pay increase for senior staff is? In addition, the Secretary said in the last paragraph of the main reply that the appraisals are based on a set of objective criteria. He said that if the appraisal of a senior staff member is unsatisfactory, it will affect the rate of pay increase for him. In that case, in the past several years, was any senior staff member affected because of unsatisfactory appraisals and how much in pay was deducted as a result?*

**SECRETARY FOR ECONOMIC DEVELOPMENT AND LABOUR** (in Cantonese): Madam President, I wish to clarify that in the past two years, those senior staff members whom we called Band A staff members did not receive any pay increase and it is only in this year (2006-2007) that they have received a pay increase. Since they are more senior staff members, the rate of pay increase this year has been restricted to no more than 3%.

**MS EMILY LAU** (in Cantonese): *President, the Secretary's reply is very .....*

**PRESIDENT** (in Cantonese): In that case, you can ask your supplementary again.

**MS EMILY LAU** (in Cantonese): *I wish to ask if the senior staff was given a pay increase of 8%? Moreover, if the final appraisal indicates that someone's performance is unsatisfactory, then no pay increase will be given. The Secretary replied that they had not been given any pay rise, so was their performance unsatisfactory?*

**SECRETARY FOR ECONOMIC DEVELOPMENT AND LABOUR** (in Cantonese): Madam President, if Ms Emily LAU has listened carefully, she will

find that I have actually answered her supplementary. Ms LAU asked if a pay increase of 8% had been given and my reply was that in the past two years, senior staff had not been given any pay rise. As regards this year, the pay rise for senior staff is 3% at the most. I have already answered her.

**MS EMILY LAU** (in Cantonese): *President, concerning unsatisfactory performance, he should also reply to the second part of my supplementary.*

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

**SECRETARY FOR ECONOMIC DEVELOPMENT AND LABOUR** (in Cantonese): In addition, of course, I have also said that the rates of their pay rise will also depend on their performance. Some senior staff receive variable pay and it is also determined according to their performance. As I have explained, if their performance is poor, the variable pay will be reduced. This will certainly be the case.

**PRESIDENT** (in Cantonese): We have spent more than 22 minutes on this question. Last supplementary question.

**MR CHAN KAM-LAM** (in Cantonese): *President, it can be seen from the Secretary's reply that tourism in Hong Kong is developing quite satisfactorily. Moreover, it has become one of the four major pillars in Hong Kong. Since tourism is very important to us and our existing structure such as the HKTB, and other licensing regimes for that matter, are systems handed down from the past, may I ask the Government if it has considered restructuring functional organizations including the HKTB or re-examine the establishment of a good system, so that tourism can develop even better in Hong Kong?*

**SECRETARY FOR ECONOMIC DEVELOPMENT AND LABOUR** (in Cantonese): Madam President, Mr CHAN Kam-lam's supplementary asks whether we will supervise all such organizations, including such organizations as the HKTB and the Travel Industry Council (TIC). In fact, we also have representatives in the HKTB and have all along taken part in its work and

monitored its operation, so we have a good grasp in this area. If any improvement is required, we will carry it out. As regards the operation of the TIC, for example, regarding the recent problem relating to "zero-fare" tours, they have exposed issues such as whether it is necessary to step up measures dealing with tour guides and travel agencies that violate regulations and reinforce the mechanism for imposing penalties and the power to do so, as well as how we can do even better. We have all along been monitoring this area and communicating with the relevant organizations. I believe Mr CHAN is also aware that the TIC decided yesterday that it would reinforce its framework for dealing with errant tour guides or travel agencies and a new committee would also be established. In other words, we have always maintained close contact with the relevant organizations and will also monitor their operation. We will reinforce the mechanism if necessary.

**PRESIDENT** (in Cantonese): Oral questions end here.

## **WRITTEN ANSWERS TO QUESTIONS**

### **Use of Factory Rooftop for Residential Purpose**

7. **MR LEE WING-TAT** (in Chinese): *President, with regard to the use of the rooftops of factory premises for residential purpose, will the Government inform this Council of:*

- (a) *the current number of illegal structures on the rooftop of factory premises, and the number of such illegal structures in each of the 18 districts;*
- (b) *the number of inspections conducted on factory premises in each of the past three years, as well as the number of rooftop illegal structures recorded during such inspections, the number of prosecutions instituted, the number of convictions as well as the penalties imposed, and the reasons for not instituting prosecution or acquittals;*
- (c) *the procedures involved from identifying rooftop illegal structures on factory premises during inspection to instituting prosecutions, as well as the average time taken to complete such procedures; and*

- (d) *the measures to prevent the proliferation of rooftop illegal structures on factory premises, and whether it will consider adopting punitive measures, such as prohibiting the conveyance of factory units which have been found to be in breach of the Buildings Ordinance?*

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

President, my reply to the four parts of the question is as follows:

- (a) The Administration does not have the statistics and record by district on the number of unauthorized rooftop structures (URs) in factory buildings, and so cannot provide the requested figures.
- (b) In 2004, 2005 and 2006 (up to September 2006), the Lands Department (LandsD) conducted 1 964, 2 959 and 1 588 inspections respectively of factory buildings in various districts, and identified seven, 34 and 21 cases respectively involving URs. These cases were mainly in Tsuen Wan, Kwai Tsing, Kwun Tong, San Po Kong, Sham Shui Po and Hung Hom.

If the URs are found to have breached the land lease, the LandsD will consider taking lease enforcement action, including the issuance of letters to the owners concerned to request the removal of the URs. In the past three years, a total of 11 advisory letters were issued.

The Fire Services Department (FSD) also conducts inspections on industrial buildings (including factory buildings and godowns). In the past three years, the FSD conducted 3 284, 2 819 and 3 436 inspections respectively on such buildings. If URs are found during inspections, the FSD will refer the cases to the Buildings Department (BD) for follow-up action.

Over the past three years, the BD investigated 64 complaints concerning factory buildings with URs, and issued 75 removal orders during the period. With respect to 36 of the orders, the owners have removed the unauthorized structures voluntarily. The BD has initiated prosecution actions against three cases for which the issued orders have not been complied with. The owners concerned have been fined \$2,000 to \$5,500.

- (c) If the BD identifies URSs in factory buildings which pose danger to life and property, it will issue removal orders to the owners concerned.

The BD generally requires an owner to commence the concerned demolition works within 30 days, and complete such works within 60 days. Upon expiry of the specified period, the BD will consider initiating prosecution actions against the owner if he/she fails to comply with the order without reasonable excuse.

If the LandsD identifies URSs in a factory building, it will investigate whether the usage has violated the lease conditions, and will also consult the BD and FSD to ascertain whether the URSs pose any imminent danger.

The LandsD handles cases that pose imminent danger with priority and takes lease enforcement action immediately. As regards other cases, the LandsD issues warning letters to the owners concerned, requesting them to stop putting the premises to unauthorized uses.

- (d) To curb all types of unauthorized building works (UBWs) that are under construction or newly constructed, the BD conducts inspection within 48 hours upon receipt of a case and take immediate enforcement action, with a view to stopping the proliferation of UBWs.

Regarding existing URSs in factory buildings, apart from cases involving enforcement actions, the BD will for other cases issue warning notices to owners. If the owners concerned fail to remove the UBWs within the specified period, the warning notices will be registered in the Land Registry. Such notices will only be deregistered when the UBWs are demolished. This is to allow the public (including potential buyers of the premises) to be informed of the irregularities associated with the premises.

Moreover, the BD has liaised with The Law Society of Hong Kong, requesting the Society to remind its members that they should not engage in any sale or assignment of URSs. They should also explain to their clients that such structures are illegal and the owners concerned would have to bear the legal responsibilities.

**Refusal to Issue Closed Area Permits**

8. **MR LI KWOK-YING** (in Chinese): *President, I have received complaints from Sha Tau Kok residents alleging that the police no longer issue the Closed Area Permits (CAPs), for access to Chung Ying Street, to any persons who newly moved to live in Sha Tau Kok on or after 20 April of this year. In this connection, will the Government inform this Council:*

- (a) whether the police have, before implementing the above measure, consulted the Heung Yee Kuk, the relevant rural committee(s) and District Council(s), as well as the residents in the Frontier Closed Area; if so, of the details of the consultation; if not, the reasons for that;*
- (b) of the police's grounds for refusing to issue CAPs to Sha Tau Kok residents who have newly moved to live there; and*
- (c) whether it has reviewed if that measure will result in dividing Sha Tau Kok residents into classes and splitting the local community?*

**SECRETARY FOR SECURITY** (in Chinese): *President, all persons who enter and exit the Frontier Closed Area have to possess valid CAPs. Against this, the police will consider whether to issue CAPs to individuals on a case-by-case basis. For example, the CAP issued to a Ta Kwu Ling resident may only allow him to enter and exit the Ta Kwu Ling area.*

People can enter the Hong Kong Special Administrative Region via Chung Ying Street. However, Chung Ying Street is different from the other land boundary control points in that it does not have the full range of boundary control point facilities. Therefore, it is even more necessary for the police to ascertain the relevant persons' actual need to access Chung Ying Street before issuing them with CAPs allowing access to the Street. In general, persons who need to maintain a traditional link with the local community at Chung Ying Street because of family or historical ties; who live or work at Chung Ying Street; or who visit relatives or friends living at Chung Ying Street, and so on, are regarded as having a "need" to enter Chung Ying Street.

The police have processed CAP applications for accessing Chung Ying Street based on the above criteria and will consider whether to approve the applications having regard to the individual circumstances of each case. The purpose is to prevent criminals from making use of Chung Ying Street to conduct illegal activities.

## Construction Industry Employers Defaulting on Wages and MPF Contributions

9. **MR LEUNG KWOK-HUNG** (in Chinese): *President, regarding the problem of employers in the construction industry defaulting on employees' wages and Mandatory Provident Fund (MPF) contributions, will the Government inform this Council of:*

- (a) *the respective numbers of complaints received in the past three years by the relevant government departments about employers in the construction industry defaulting on employees' wages, MPF contributions or both, together with the respective numbers of employers convicted consequently;*
- (b) *the respective numbers of complaints involving public works projects received by the authorities about defaults on employees' wages and MPF contributions, since the Government implemented measures in all such projects to safeguard workers' rights and interests on 1 May this year; and*
- (c) *any new measures to prevent employers in the construction industry from defaulting on wage payments or MPF contributions, and whether it will follow the Housing Authority's practice of adopting the on-demand bond requirement, which was introduced last month, so that workers who are owed wages or MPF contributions by contractors or sub-contractors may recover the payments in arrears from the developers concerned directly?*

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

- (a) The number of construction labour disputes recorded by the Labour Department (LD) involving more than 20 workers (these cases generally involved wage default) and prosecution actions taken against wage offences in the construction industry are set out as follows (the LD does not have any breakdown by industry on labour claims involving 20 or fewer workers):

<i>Calendar Year</i>	<i>Number of complaints received</i>	<i>Successful prosecution cases (number of summonses)</i>
2003	196	115
2004	141	116
2005	113	141
2006 (as at September)	95	208

Statistics on complaints related to default MPF contributions in the construction industry received by the Mandatory Provident Funds Schemes Authority (MPFA) and the prosecution actions taken since 2003 are set out as follows:

<i>Calendar Year</i>	<i>Number of complaints received</i>	<i>Successful prosecution cases (number of summonses)</i>
2003	2 042	164
2004	1 616	184
2005	1 418	155
2006 (as at September)	1 076	55

In accordance with the Mandatory Provident Fund Schemes Ordinance, the MPFA imposes a surcharge on employers who default in making MPF contributions. The surcharge received belongs to the employees and is credited into the employees' MPF accounts. Over 60% of the employers would rectify the situation after follow-ups by the MPFA. If the defaulting employers do not rectify the situation despite the MPFA's persuasion, the MPFA would institute civil actions against the employers to recover the outstanding MPF contributions. Where appropriate, the MPFA would take prosecution actions against or impose financial penalties on the defaulting employers. An employer who defaults in making MPF contributions, if convicted, is liable to a fine at level 6 (\$100,000) and to imprisonment for six months on the first occasion; and to a fine of \$200,000 and to imprisonment for 12 months on each subsequent occasion.

The MPFA and the LD do not have statistics on cases involving both wage and MPF contribution default at the same time. However, the LD and the MPFA liaise closely on the measures to tackle default on wages and MPF contributions.

- (b) From 1 May to end September 2006, the LD recorded 18 labour disputes involving public works projects and more than 20 workers. The MPFA does not have the statistics of the number of complaints involving public works projects.
- (c) In addition to taking general enforcement actions, the MPFA liaises with the trade associations and labour groups of the construction

industry regularly to step up publicity on MPF compliance and to encourage the employees to lodge complaints. The MPFA also visits construction sites to check for non-compliance. The MPFA has also stepped up its enforcement actions recently by imposing financial penalties on more defaulting employers. The amount of penalty is \$5,000 or 10% of the default contribution amount, whichever is the higher. The construction industry is one of the industries covered under the MPF Industry Schemes. The Industry Schemes Committee set up under the MPFA, comprising members representing employers and employees, helps review the MPFA's enforcement policies and their effectiveness from time to time.

Currently the MPF legislation requires the employers to enrol their employees in an MPF scheme and make contributions for them. It does not require any third parties to take up any MPF responsibilities. The MPFA notes that some developers in the private sector are implementing measures to ensure that the contractors and sub-contractors make MPF contributions in order to protect the workers' interests and rights.

The LD has set up an early warning system in collaboration with trade unions in the construction industry to gather intelligence on non-payment of wages. Trade unions will inform the LD whenever they are aware of any labour disputes so that the department can promptly provide conciliation service and follow up the wage offences concerned.

The LD also actively takes out prosecution action against employers who default in payment of wages. To enhance the deterrent effect of the law on unscrupulous employers, the maximum penalty for wage offences has been substantially raised from a fine of \$200,000 and imprisonment for one year to a fine of \$350,000 and imprisonment for three years with effect from 30 March 2006. The LD will from time to time review the effectiveness of the measures.

New monitoring measures incorporated into government public works contracts as well as the Housing Department's building contracts since 1 May 2006 were as follows:

- (i) installing a computerized smart card system at construction sites to keep records of workers' attendance;

- (ii) requiring all on-site workers to enter into written employment contracts with their employers;
- (iii) arranging for bank auto-payment in respect of wages and requiring main contractors to submit copies of wage payment records;
- (iv) the employment of Labour Relations Officers (LROs) to handle complaints and to assist the LD in the investigation of complaints on arrears of wages;
- (v) restricting subcontracting layers on specified work trades and work elements; and
- (vi) requiring main contractors to be responsible for all arrears of wages in their construction sites. In cases of wage default, the Government has the right to utilize contract monies to make payment directly to the workers who are owed wages after the Labour Tribunal has awarded in favour of workers. The workers have the responsibility, however, to report the arrears of wages to the LRO within seven days after they are owed wages.

Main contractors under the public works contracts are responsible for all wage arrears of workers within the main contractor's site. This responsibility has no limitation and is higher than that imposed on the main contractor under the law. The Government also has the right to utilize contract monies to pay wages held in arrears. As such, the Government considers that there is no need for the on-demand bond requirement in public works contracts. Moreover, through the measures under (i) to (vi) above, any defaults in payment of wages and MPF contributions will be detected early hence there would be investigations and conciliations in the first instance. These measures could help resolve the problems associated with non-payment of wages and MPF contributions.

The new measures have been adopted in all newly tendered contracts since 1 May 2006. About six such contracts have commenced work recently. According to the record of the Environment, Transport and Works Bureau, there have been no

complaints received from these contracts in respect of non-payment of wages and MPF contributions. The Government will make necessary adjustments to the measures as they are taken to full implementation in all public works contracts in the light of practical experience in order to enhance protection to construction workers. It is the Government's intention to encourage private sector developers to do likewise if the above measures are proven successful upon implementation in order to completely tackle the problem with default of wages and MPF contributions in the construction industry.

### **Green Projects**

10. **MR JAMES TO** (in Chinese): *President, it has been reported that a recent research conducted by the University of Hong Kong has revealed that the greenery planted on rooftops of buildings can lower the room temperature in the top storey of such buildings by 6 degrees Celsius, indicating that green roofs can help reduce energy consumption. Moreover, the Government indicated in February this year that green projects had been incorporated into nearly 40 government building projects under planning or construction by the Architectural Services Department (ASD). Furthermore, green roofs will be tried out by the Housing Department (HD) in a newly established public housing estate and two shopping arcades. In this connection, will the Government inform this Council:*

- (a) *among such green projects of the ASD, of the number of completed ones, together with a breakdown by the types of buildings; if none has been completed, the reasons for that;*
- (b) *among the completed green projects of the ASD, of the number of those involving the planting of greenery on rooftops, with a breakdown by whether direct soil planting on rooftop surface or container gardening is used;*
- (c) *of the specific measures to encourage owners of private buildings and subvented organizations to implement roof greening projects for their buildings, in order to beautify the city and reduce heat island effect; and*
- (d) *whether the HD plans to extend rooftop greening projects to all the existing public housing estates in the territory?*

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

- (a) Since green roofs can help improve townscape, attenuate urban heat island effect, enhance the effectiveness of heat insulation facilities and save energy, the ASD aims to implement green roof projects for new government buildings as far as practicable. Starting from 2001, the ASD has incorporated rooftop or podium landscape designs in new government building projects wherever practicable. About 50 projects with such green features have been completed. These include schools, office buildings, hospitals, community facilities and government quarters. Please refer to Annex I for breakdown by building types.
- (b) For those completed rooftop/podium green projects, the scope of greening works aims to dovetail the use and design of the respective rooftops/podiums. In most cases, soil layer is placed on the rooftop surface for growing different kinds of plants. Generally speaking, this planting method is more cost-effective. Flower pots are used when there are space or other kind of constraints, for example, building services installations. Please see Annex II for relevant breakdown.
- (c) Apart from actively implementing rooftop green projects for new government buildings, the Administration is also studying the feasibility of promoting greening projects in private developments. The Buildings Department has commissioned a consultancy study on sustainable building designs which aims at developing guidelines on sustainable building designs, and the provision of more green features is one of the issues under such study. The Administration will carefully study the outcome of the report before deciding the way forward.
- (d) The HD has always attached importance to environmental protection and has planted greenery on rooftops of shopping arcades and car parks in some estates. To further promote greening in housing estates, plans are in hand to adopt green landscape designs on the rooftops of certain new projects. In doing so, indigenous herbaceous plants that can grow more easily will be planted with a view to increasing the ecological value of the landscaped area. The residential buildings at the Eastern Harbour Crossing Site Phases 3

and 4, expected to be completed in 2008 and 2009 respectively, will be the first batch of buildings to try out the design. Upon their completion, the HD will evaluate the outcome to consider whether and how roof greening should be extended to other public housing estates with regard to its management, conservation and mosquito elimination.

Annex I

Various types of completed buildings  
with rooftop/podium green features since 2001

<i>Type of buildings</i>	<i>No. of projects</i>
School	16
Office building	17
Hospital	7
Community facilities	9
Government quarters	4
Total	53

Annex II

A breakdown of direct soil planting on rooftop surface  
and/or pot planting since 2001

<i>Rooftop/podium green features</i>	<i>No. of projects</i>
Soil layer planting on rooftop surface	45
Pot planting	2
Soil layer planting on rooftop surface and pot planting	6
Total	53

**Default on Payment of Hospital Fees by Mainland Women Giving Birth in Hong Kong**

11. **MR ALBERT CHAN** (in Chinese): *President, some members of the public have reflected to me that despite the preventive measures taken by the Hospital Authority (HA), many mainland women still defaulted on payment of hospital fees after giving birth in public hospitals in Hong Kong. In this connection, will the Government inform this Council whether it knows:*

- (a) *the number of cases in which mainland women settled all bills after giving birth in local public hospitals in each of the past two years, together with a breakdown by hospitals;*
- (b) *the number of cases in which mainland women defaulted on payment of fees after giving birth in local public hospitals, as well as the total amount of defaulted payment involved, in each of the past two years, together with a breakdown of such cases and the amounts of defaulted payment by hospitals; and*
- (c) *whether the HA has considered strengthening the existing measures to ameliorate the situation of mainland women defaulting payment of hospital fees after giving birth in Hong Kong; if it has, of the details; if not, the reasons for that?*

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

- (a) The numbers of cases in which "Non-eligible Persons" (NEPs) settled all their bills after giving birth in local public hospitals in 2004-2005 and 2005-2006 were 9 819 and 10 859 respectively. A breakdown of these cases by hospital is provided in the table below.

	<i>Number of cases in 2004-2005</i>	<i>Number of cases in 2005-2006</i>
Queen Elizabeth Hospital (QEH)	1 206	1 149
Queen Mary Hospital (QMH)	544	556
Kwong Wah Hospital (KWH)	1 204	1 530
Princess Margaret Hospital (PMH)	1 318	1 564
Pamela Youde Nethersole Eastern Hospital (PYNEH)	1 172	1 054
Prince of Wales Hospital (PWH)	1 501	1 809
Tuen Mun Hospital (TMH)	1 477	1 562
United Christian Hospital (UCH)	1 397	1 635
Total number of cases	9 819	10 859

- (b) In 2004-2005 and 2005-2006, the numbers of cases in which NEPs defaulted on payment of medical fees after giving birth in public hospitals in Hong Kong were 1 670 and 2 138 respectively, with the amounts involved being \$12.64 million and \$28.58 million. A breakdown of these figures by hospital is provided in the table below.

	2004-2005		2005-2006	
	<i>Number of Cases</i>	<i>Amount of Defaulted Payment (\$ Million)</i>	<i>Number of Cases</i>	<i>Amount of Defaulted Payment (\$ Million)</i>
QEH	187	1.61	184	2.92
QMH	72	0.55	88	1.19
KWH	272	2.34	351	4.41
PMH	256	2.09	320	4.02
PYNEH	59	0.47	82	1.13
PWH	355	2.5	442	5.85
TMH	274	1.82	333	4.44
UCH	195	1.26	338	4.62
Total	1 670	12.64	2 138	28.58

Note: The amount of defaulted payment includes the amount written-off and the amount of overdue fees.

- (c) In the past few years, the HA has implemented a number of measures to address the problem of defaulted payment of medical fees by NEPs. These include strict enforcement of the requirement for NEPs to pay an advance deposit before admission into hospitals (except for cases in which the patients are in acute conditions and greater flexibility must be allowed); an increase of the advance deposit from \$19,800 to \$33,000; issuance of medical bills on shorter intervals; and greater efforts in recovering medical fees from patients (such as soliciting payment of fees in hospital wards or trying to approach the patients' families in Hong Kong for payment). The above measures have been effective in lowering the rate of default by NEP obstetrics patients (in terms of the amount of medical fees in default) from 27% in 2003-2004 to 15% in 2005-2006. The HA will continue to explore other feasible measures to further ameliorate the situation of NEPs defaulting on payment of medical fees.

### **Mainland Women Giving Birth in Hong Kong**

12. **DR JOSEPH LEE** (in Chinese): *President, it has been reported that the concurrent increase in the numbers of pregnant women of Hong Kong and those from the Mainland giving birth in Hong Kong has put pressure on the local*

*population and on the obstetrics and gynaecology (O&G) departments of public hospitals. In this connection, will the Government inform this Council:*

- (a) apart from considering increasing the delivery charges for pregnant women from the Mainland giving birth in public hospitals in Hong Kong, whether government departments such as the Immigration Department (ImmD) will take measures to ameliorate the situation of pregnant women from the Mainland giving birth in Hong Kong; if they will, of the details of the measures; if not, the reasons for that;*
- (b) of the measures taken by the Hospital Authority (HA) to cope with the increase in demand for O&G services, which has resulted in a corresponding increase in the workload for front-line hospital staff; and whether the HA has, in planning for the manpower and services of the O&G departments in public hospitals, worked out the ratio of nursing staff to patients; if it has, of the details; if not, the reasons for that; and*
- (c) given that the children born to pregnant women from the Mainland in Hong Kong will, in the long term, have certain needs for housing, education, social and medical and health services in Hong Kong, whether the authorities have examined if the projection of the demand for the abovementioned services by the Census and Statistics Department (C&SD) through updating Hong Kong's population figures every two to three years can facilitate the formulation of future population policies; if they have, of the results?*

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

- (a) Under existing immigration policies, visitors who possess valid travel documents are normally allowed to enter Hong Kong as long as they meet normal immigration requirements (such as having adequate travelling expenses) and the ImmD is satisfied with the *bona fides* of their purpose of visit. The ImmD will not refuse entry of a visitor solely on the ground of pregnancy. Even if rules were introduced to prohibit pregnant women from entering Hong Kong, there will be difficulties in the implementation of such rules. Those who intend to give birth in Hong Kong may be prompted to enter Hong Kong at an earlier stage of pregnancy and overstay to give birth.

- (b) Since the HA introduced an Obstetric Package Charge of \$20,000 for Non-eligible Persons (NEPs) in September last year, the number of such pregnant women who gave births in public hospitals in Hong Kong has decreased. Between January and September 2006, there were a total of 8 388 NEP mothers who gave births in public hospitals, which represented a decrease of about 20% from 10 478 similar cases in the same period of 2005. However, with an increase in the number of local pregnant women giving births in public hospitals, public hospitals handled a total of 28 830 child birth cases between January and September 2006, which was only about 4% lower than the same period in 2005 when there were 30 126 cases.

In the light of the demand for obstetric services by the local public and NEPs, the HA is closely monitoring the ratio between health care staff in obstetrics departments and the number of child birth cases handled by public hospitals. Relief measures have already been taken with a view to lightening the work pressure of front-line health care staff. These include increasing the number of training places for midwifery, recruiting more doctors to receive specialist training in O&G, filling vacancies in O&G specialist posts as soon as possible, and improving arrangements for shift duties of nurses through more flexible human resources management practices.

- (c) The Government is very concerned about the issue of mainland women giving births in Hong Kong, but at this stage has not come to any conclusion on its long-term impact. We believe that many of such babies will return to the Mainland soon after birth together with their mothers who are not Hong Kong residents. If these babies remain in the Mainland on a permanent basis, statistically they will not be counted as part of Hong Kong's population. If they return to settle in Hong Kong afterwards, they will be counted towards our population figures. Government bureaux and departments will make reference to the latest actual population figures in assessing the short-term demand for services. To better gauge the short-term and long-term population changes, the C&SD conducts a population census for Hong Kong once every 10 years and a by-census in the middle of the intercensal period. The C&SD also updates the population projections of Hong Kong every two to three years. This facilitates the assessment of all government bureaux and departments of the demand for services in

areas such as housing, education, social services, and medical and health services. The C&SD's population projections are an important source for planning the land and all community facilities required by future development. We will make suitable adjustment to the planning of these facilities in accordance with the latest population projections. In this connection, the C&SD will release a set of updated population projections in mid-2007 based on the results of the 2006 Population By-census. This set of population projections will adopt the latest population base and trend of births, deaths and population movement, and provide an objective basis for government bureaux and departments upon which to consider and plan the provision of various services.

### **Broadband Wireless Access Technologies and Services**

13. **MR SIN CHUNG-KAI** (in Chinese): *President, in December 2004 and August 2005, the Office of the Telecommunications Authority (OFTA) conducted public consultation on the development of a regulatory framework for the deployment of broadband wireless access (BWA) technologies and services. Then, in the policy initiatives published last month, the Government indicated that it would continue to consult the industry on this matter. In this connection, will the Government inform this Council:*

- (a) *as the Government is currently conducting reviews on the regulatory changes necessary to cater for the trend in the convergence of fixed and mobile communications services, as well as on its policy on the management of radio frequency spectrum, whether the authorities will consider the results of these two reviews in developing a regulatory framework for the deployment of BWA; if so, whether the authorities will conduct the relevant consultation after completing these two reviews;*
- (b) *of the work schedule for establishing a regulatory framework for the deployment of BWA technologies and services, including the timeframe for and specific details of the next round of consultation; and*
- (c) *given that fixed network operators can roll out the "last mile" through BWA to provide fixed network services to clients who are relying on Type II interconnection, whether the authorities have*

*assessed if the fixed network operators will be able to finish rolling out their BWA networks before the withdrawal of the regulatory intervention for Type II interconnection on 30 June 2008?*

**SECRETARY FOR ECONOMIC DEVELOPMENT AND LABOUR** (in the absence of Secretary for Commerce, Industry and Technology) (in Chinese): President, BWA can provide fixed and mobile services. Most of the advanced economies have licensed BWA services, such as the United States, the United Kingdom, Australia, Austria, France, Germany, Japan, Singapore and South Korea. Most of these economies have introduced BWA fixed services while South Korea has launched both fixed and mobile services.

To maintain Hong Kong's position as a leading digital city, the Government's policy is to facilitate the deployment of the most advanced radio communications technologies, including BWA, in Hong Kong as early as possible.

With a view to facilitating the deployment of BWA technologies and services in Hong Kong, the OFTA has conducted two rounds of public consultation in December 2004 and August 2005 to initiate discussion on the appropriate form of regulation and how radio spectrum should be assigned for such services. Subsequently, the technical assessment conducted by the OFTA confirmed that there could be potential interference between existing fixed satellite services operating in adjacent bands and the proposed BWA services operating in the 3.5 GHz band. Therefore, the OFTA has been identifying alternative frequency bands suitable for BWA services. This technical problem could be resolved without great difficulty and should not affect the deployment of BWA services in Hong Kong. The reply to the question is as follows:

- (a) The outcome of the consultation exercises on proposed spectrum policy framework and regulatory framework for fixed-mobile convergence will have impact on the spectrum release plan and business environment of services based on BWA technologies. Therefore, the OFTA will take into account the progress and outcome of these two consultation exercises in developing the regulatory framework and licensing arrangements for the deployment of BWA services. When the spectrum for BWA services is released, the terms and conditions for bidding the spectrum will be consisted with the spectrum policy framework and the regulatory framework for fixed-mobile convergence, as well as

reflecting the outcome of the public consultation on BWA services. The aim is to provide as much certainty to bidders as possible for evaluating the business opportunities and risks.

- (b) The OFTA will have regard to the progress of the public consultation on the proposed spectrum policy framework, the public consultation on the regulatory arrangements for fixed-mobile convergence, and the demand from the industry for spectrum to launch BWA services in deciding when the consultation for BWA services should resume. If the two consultation exercises progress smoothly, the OFTA will resume the BWA consultation as early as possible in 2007.
- (c) Since the announcement of the policy of phased withdrawal of mandatory Type II interconnection, fixed line operators other than the incumbent operator have continued to expand the coverage of their customer access networks. According to the latest statistics, 76% of the households in Hong Kong are already connected to at least two customer access networks. Nevertheless, BWA is an alternative access technology that could be used for providing fixed line services to customers and should further increase consumers' choice of providers of fixed line services. The OFTA intends to license BWA services as early as possible.

### **Government Financial Management Principles**

14. **MR FREDERICK FUNG** (in Chinese): *President, some research institutes have pointed out that under its financial management principles, the Government tends to make conservative estimates of its revenue and overestimate its future expenditure, resulting in great discrepancies between its budgetary estimates and the actual amounts of revenue and expenditure in many years. Moreover, Article 107 of the Basic Law provides that "The Hong Kong Special Administrative Region shall follow the principle of keeping the expenditure within the limits of revenues in drawing up its budget, and strive to achieve a fiscal balance, avoid deficits and keep the budget commensurate with the growth rate of its gross domestic product". In this connection, will the Government inform this Council:*

- (a) *whether it has reviewed its existing financial management principles and accounting system to avoid the recurrence of large erroneous*

*discrepancies between the budgetary estimates and the actual amounts of revenue and expenditure; if so, of the results of the review; if not, the reasons for that;*

- (b) of the estimated amounts of revenue and expenditure for the year 2006-2007 according to the latest figures, and how the difference between these amounts compares to the previous estimated surplus of \$600 million; if the discrepancy is relatively large, the reasons for that; and*
- (c) whether it has assessed if the surplus resources were not effectively used due to the underestimation of revenue in the past, and whether expenditure was wrongly cut in the past as the expenditure was projected on the basis of the underestimated revenue, so that sufficient resources have not been provided to meet the needs of the public; whether it has studied if the abovementioned arrangement violates the principle of "keeping the expenditure within the limits of revenues" enshrined in the Basic Law; if it has, of the results?*

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

- (a) In preparing the estimates, we adhere to the principles of managing the public finances prudently and keeping expenditure within the limits of revenues, and take into account various factors including social needs, service quality, price changes, economic development and the overall financial position of the Government. In order to derive a reasonable forecast, we examine all the revenue and expenditure items in the most objective and professional way. Moreover, differences between the estimates and the actual figures may occur every year. There are two main reasons for this.

First, the estimates involve a vast array of complex data including more than 200 revenue items, and a large number of expenditure items under 80 expenditure heads and eight purpose-specific funds (for example, the Capital Works Reserve Fund and the Loan Fund). Therefore, we need to start compiling the estimates towards the end of the preceding year. For example, the compilation work of the 2006-2007 Budget, which was announced on 22 February 2006, started in November/December 2005. It was compiled based on

the information available at that time. As such, it is understandable that there were differences between the forecast revenue/expenditure and the actual figures.

Second, many government revenue and expenditure items are subject to external factors. There are difficulties in making accurate forecast of these revenue items, which account for a substantial share of the total government revenue. For example, salaries tax, personal assessment and profits tax together account for about 45% of the total government revenue. These taxes are highly sensitive to economic fluctuations, which are beyond the control of the Government. Besides, investment income and property-related income (for example, land premium, property tax, rates, government rents and stamp duties on property transactions) accounting for a total of about 30% of the government revenue, tend to fluctuate with economic cycles. On expenditure side, certain expenditure items, for example, construction projects and large-scale computer systems may straddle several years. During the periods of procurement or construction, it is inevitable that differences between the actual expenditure and the provisions will occur as a result of price changes and delay which are beyond the Government's control.

We will continue to review the budgetary criteria and issue guidelines to all Policy Bureaux and departments to ensure that the estimates are compiled as realistic as possible.

- (b) Bureaux and departments have started to prepare the revised estimates for 2006-2007 and the estimates for 2007-2008. The Financial Secretary will announce the 2007-2008 Budget on 28 February 2007 as well as the revised estimates for 2006-2007.
- (c) To maintain a sustainable fiscal system, we will continue to adhere to the principles of managing the public finances prudently and keeping expenditure within the limits of revenues and spend only when necessary. The government accounts had registered operating deficits for seven consecutive years between 1998-1999 and 2004-2005, and consolidated deficits were recorded in five of these years. The accumulated deficit over the period was \$190.3 billion. Despite the financial difficulties, there has been considerable growth in the Government's spending on social

welfare, education and health. During the period from 1998-1999 to 2004-2005, the recurrent expenditure on social welfare has increased by \$7 billion, and that on education and health by \$3.5 billion and \$1.4 billion respectively. Furthermore, to use the limited resources more effectively in meeting the needs of the community, the Government has introduced various measures to rein in government expenditure. These include reduction in the civil service establishment, adjustments to civil service pay, reprioritization of service provision, structural reorganization and streamlining of procedures.

### **Procurement of Government Vehicles**

15. **MS EMILY LAU** (in Chinese): *President, the Government has recently procured by tender 36 Volkswagen Phaeton 3.2L large saloon cars (grade A) at a cost of \$12 millions. In this connection, will the executive authorities inform this Council:*

- (a) *as an official from the Environmental Protection Department (EPD) said, at the meeting of the Panel on Environmental Affairs of this Council on the 23rd of last month, that saloon cars of that model did not meet the fuel efficiency standards proposed by the Department for environment-friendly saloon cars, but the test report submitted by the agent concerned on the following day revealed that saloon cars of that model met the above standards, why saloon cars of that model changed within two days from not meeting to meeting the fuel efficiency standards;*
- (b) *as the Public Accounts Committee (PAC) of this Council stated, in its report published in February 1999, that it totally rejected the authorities' view that the inclusion of minimum requirements for the exterior dimensions was to ensure relativity between cars of different grades, which reflected the dignity appropriate to the rank and status of an officer as a Head of Department or Bureau Secretary, whether the Government still adopted such a view in drawing up the specifications for the tendering exercise;*
- (c) *as the PAC considered in the same report that the dignity appropriate to the rank and status of senior civil servants could be better reflected by efficiency and frugality, rather than luxury and*

*extravagance, whether the Government considered such a view in drawing up the specifications for the tendering exercise; and*

- (d) *whether the guideline in the Stores and Procurement Regulations that the weight for quality score adopted in any marking scheme should be limited to 30% was followed in the tendering exercise?*

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

- (a) At the meeting of the Panel on Environmental Affairs on 23 October, the EPD representative, on the basis of the data submitted by Volkswagen earlier on the emission and fuel efficiency of the Phaeton 3.2L model as a result of tests conducted by Volkswagen in 2003, said that the Phaeton 3.2L model met the proposed fuel efficiency standard, but failed to meet the proposed hydrocarbons emission limit as set out in the consultation paper provided by the EPD to the Panel on Environmental Affairs for the meeting on 20 October. In view of the public concern over this matter, the Government had recently asked Volkswagen to test the latest version of that model again to evaluate its performance in emission. The latest test report was submitted by Volkswagen to the Government on 24 October (the day after the meeting of the Panel on Environmental Affairs). It shows that the new generation Phaeton 3.2L saloon cars are installed with a more effective emission control system, hence the emission level of hydrocarbons can meet the proposed standard for environment-friendly saloon cars. The EPD representative made the abovementioned response on 23 October without the benefit of knowledge of the results of the latest test conducted by Volkswagen.

- (b) and (c)

The PAC, in its report published in February 1999, made a number of recommendations on the Government's tendering arrangements for the procurement of large saloon cars (for transporting visiting VIPs and for use by officers at D7 or above). The Government subsequently adopted these recommendations, for example, through revising the specifications for tendering exercises to clearly differentiate between mandatory requirements and desirable

features. Regarding the relative weighting for price and quality in tender evaluation, we have reduced the weighting for quality to reflect the requirement for economy. In the specifications for the current large saloon car tender, the minimum requirements for the exterior dimensions are set after taking into account the actual operational use and requirements of the large saloon cars, for example, their use for transporting visiting VIPs.

- (d) In the current tendering exercise, the Government has set the weighting for quality at 20% after making reference to the guideline for the adoption of a tender marking scheme set out in the Stores and Procurement Regulations, which is lower than the 30% recommended in the PAC Report.

### **Long-term Population Policy**

16. **DR KWOK KA-KI** (in Chinese): *President, according to Article 24 of the Basic Law and the decision of the Court of Final Appeal in CHONG Fung-yuen's case in 2001, all Chinese citizens born in Hong Kong are Hong Kong permanent residents, regardless of whether their parents are permanent residents of Hong Kong. Over the past five years, the number of babies given birth in Hong Kong by mainland women has been rising. In this connection, will the Government inform this Council:*

- (a) *among the babies of Chinese nationality who were born in Hong Kong in each of the past five years, the number of those whose father and mother are not permanent residents of Hong Kong;*
- (b) *whether it has estimated the additional burden on public finance in the areas of health care, education and social welfare should all the above babies come to reside in Hong Kong; if it has, of the anticipated financial burden; if not, whether it has devised any measures to cope with the huge pressure on public services if a large number of those babies suddenly come to reside in Hong Kong; and*
- (c) *whether it has considered amending the existing legislation and adopting other measures in this regard to safeguard the long-term population policy of Hong Kong, and whether it has discussed this issue with the mainland authorities; if it has, of the progress of the discussion?*

**SECRETARY FOR SECURITY** (in Chinese): President, we have consulted the relevant bureaux and departments. Our reply to the question is as follows:

- (a) The Immigration Department does not keep statistics that are based on the nationalities of the babies born in Hong Kong. In the past five years, among the babies born to mainland women in Hong Kong, the number of those born to non-Hong Kong permanent residents is as follows:

<i>Year</i>	<i>Number of babies born to mainland women in Hong Kong</i>	<i>Of which, number of babies whose parents are non-Hong Kong permanent residents</i>
2001	7 810	620
2002	8 506	1 250
2003	10 128	2 070
2004	13 209	4 102
2005	19 538	9 273

- (b) The Government is very concerned about the issue of mainland women giving births in Hong Kong, but at this stage has not come to any conclusion on its long-term impact. We believe that many of such babies will return to the Mainland soon after birth together with their mothers who are not Hong Kong residents. If these babies remain in the Mainland on a permanent basis, statistically they will not be counted as part of Hong Kong's population. If they return to settle in Hong Kong afterwards, they will be counted towards our population figures. The government bureaux and departments will make reference to the latest actual population figures in assessing the short-term demand for services. To better gauge the short-term and long-term population changes, the Census and Statistics Department (C&SD) conducts a population census for Hong Kong once every 10 years and a by-census in the middle of the intercensal period. The C&SD also updates the population projections of Hong Kong every two to three years. This facilitates all government bureaux and departments to assess the demand for services in areas such as housing, education, social services, and medical and health services. The C&SD's population projections are an important source for planning the land and all community facilities required by future development. We will make suitable adjustment to the planning of these facilities in accordance with the latest population projections. On this basis, the C&SD will release

a set of updated population projections in mid-2007 based on the results of the 2006 Population By-census. This set of population projections will adopt the latest population base and trend of births, deaths and population movement. Such projections will provide a basis for all government bureaux/departments to consider the provision and planning of various services.

- (c) As the Government has not at this stage come to any conclusion on the long-term impact of mainland women giving births in Hong Kong, the Government has no plans so far to amend any legislation or adopt any other measures to address the issue. Nor has the Government discussed this issue with the mainland authorities. In any case, the relevant bureaux and departments will continue to closely monitor the situation of mainland women giving births in Hong Kong.

### **World Heritage List**

17. **MR LAU KONG-WAH** (in Chinese): *President, as the Macao Special Administrative Region Government, under the auspices of the Central Government, succeeded in 2005 in its bid to have the Historic Centre of Macao inscribed on the World Heritage List by the World Heritage Committee of the United Nations Educational, Scientific and Cultural Organization (UNESCO), will the Government inform this Council whether it has considered seeking support from the Central Government to strive for some valuable cultural or natural heritage in Hong Kong to be inscribed on the list; if so, of the details of its consideration; if not, the reasons for that?*

**SECRETARY FOR HOME AFFAIRS** (in Chinese): President, The Convention Concerning the Protection of the World Cultural and Natural Heritage (the Convention), adopted by the General Conference of the UNESCO at its 17th session in 1972, established a permanently effective system with modern and scientific methods for the preservation of cultural and natural heritage having outstanding universal value. The UNESCO is responsible for compiling the World Heritage List according to the Convention, in which World Heritage is classified into cultural and natural heritage.

The application procedures for inscription on the World Heritage List are — a State Party of the Convention has to prepare a Tentative List, providing an

inventory of the natural and cultural heritage sites with outstanding universal value within its boundary. Then the State Party can prepare a Nomination File. The nomination will be submitted to the World Heritage Centre for review, and the International Council on Monuments and Sites and the World Conservation Union for evaluation. After a site is nominated and evaluated, the World Heritage Committee will make the final decision on whether the site should be inscribed on the World Heritage List. The Cairns Decision, made by the World Heritage Committee in 2000, has set the limit of one new nomination per State Party each year. Since Hong Kong is not a State Party, application must be submitted under the auspices of China.

By November 2006, the World Heritage List includes 830 properties in 138 States Parties, of which there are 644 cultural, 162 natural and 24 mixed properties. China is one of the States Parties of the Convention since 1985. To date, it has 33 properties on the World Heritage List, including 24 cultural, five natural and four mixed properties, being the third largest State Party in terms of the number of World Heritage sites within its boundary.

The properties in Beijing and Sichuan Province account for one third of the 33 World Heritage sites in China (11 properties). However, one third of the provinces, cities and districts in China have yet to inscribe heritage sites on the World Heritage List. At the moment, over 100 items are included in the Tentative List of China, in which no items are from Hong Kong. World heritage sites are selected on the basis of very stringent criteria and there is keen competition amongst the States Parties, as well as the various provinces, cities, and districts within China. Specifically, the cultural sites nominated should:

- (i) represent a masterpiece of human creative genius; or
- (ii) exhibit an important interchange of human values, over a span of time or within a cultural area of the world, on developments in architecture or technology, monumental arts, town-planning or landscape design; or
- (iii) bear a unique or at least exceptional testimony to a cultural tradition or to a civilization which is living or which has disappeared; or
- (iv) be an outstanding example of a type of building, architectural or technological ensemble or landscape which illustrates (a) significant stage(s) in human history; or

- (v) be an outstanding example of a traditional human settlement, land-use, or sea-use which is representative of a culture (or cultures), or human interaction with the environment especially when it has become vulnerable under the impact of irreversible change; or
- (vi) be directly or tangibly associated with events or living traditions, with ideas, or with beliefs, with artistic and literary works of outstanding universal significance. [Note: The Committee considers that this criterion should preferably be used in conjunction with other criteria]

The natural sites nominated should:

- (vii) contain superlative natural phenomena or areas of exceptional natural beauty and aesthetic importance; or
- (viii) be outstanding examples representing major stages of earth's history, including the record of life, significant ongoing geological processes in the development of landforms, or significant geomorphic or physiographic features; or
- (ix) be outstanding examples representing significant ongoing ecological and biological processes in the evolution and development of terrestrial, fresh water, coastal and marine ecosystems and communities of plants and animals; or
- (x) contain the most important and significant natural habitats for *in situ* conservation of biological diversity, including those containing threatened species of outstanding universal value from the point of view of science or conservation.

Taking into account the selection criteria, the Government has yet to have any plan to submit any nomination of cultural or natural heritage sites in Hong Kong for inscription on the World Heritage List. We would, however, in the course of heritage conservation, closely monitor and carefully assess the cultural significance of heritage sites, so that we could consider whether any of the sites warrants nomination as a World Heritage site under the auspices of our national government in future.

**Submission of Master Layout Plans by Developers**

18. **MR ANDREW CHENG** (in Chinese): *President, the conditions of certain leases of large-scale developments may require the developer to submit a Master Layout Plan (MLP) showing the development proposal for approval by the Director of Lands before the actual development. In this connection, will the Government inform this Council:*

- (a) *whether the developer may commence the construction works which have been approved by the Building Authority (BA) before the MLP is approved; if so, whether the Director of Lands will be subject to constraints when considering the MLP because of the completion of some construction works, whether he will require the developer to demolish those completed construction works before approving the MLP concerned, and how he deals with those cases involving completed construction works which cannot be demolished or restored;*
- (b) *whether the developer is required, where amendments are needed to be made to the approved construction works for compliance with the requirements of the MLP, to submit such amendments to the BA for approval;*
- (c) *of the details, including the lot number, total area, location, planned land use and the premium of the leased land, the respective dates on which the Lands Department (LandsD) granted preliminary and final approval for the MLP concerned, as well as the respective dates on which the BA granted preliminary and final approval for the commencement of construction works, of each of the development projects involving construction works which were commenced in the past three years, but the MLPs concerned had not yet been approved;*
- (d) *of the current number of development projects involving construction works which are in progress while the MLPs have not yet approved, as well as the details of each of these projects, including the lot number, total area, location, planned land use and the premium of the leased land, the date on which the developer submitted the MLP, the respective dates on which the developer applied for and was granted approval for the commencement of construction works; and*

- (e) *whether the authorities will stipulate that developers may not commence approved construction works before the relevant MLPs for the developments have been approved, so as to avoid the LandsD from being subject to constraints when considering the MLPs, and avoid environmental problems and wastage arising from the restoration of construction works which have been completed before the MLPs concerned are approved?*

**SECRETARY FOR HOUSING, PLANNING AND LANDS** (in Chinese): President, for a development project on a site designated as "Comprehensive Development Area" (CDA) on the Outline Zoning Plan, the developer is required to submit a MLP to the Town Planning Board (TPB) for approval. For such development projects which require submission of an MLP to the TPB, the LandsD normally would not include a requirement in the land grant conditions for the submission of an MLP to the Director of Lands for approval, so as to avoid duplication of procedures.

As for land not designated as CDA, the LandsD would in general include a requirement for MLP approval into the land grant conditions for large-scale development projects with a site area exceeding 2 hectares. The Director of Lands adheres to relevant provisions in the land grant in vetting and approving such MLPs, whereas the BA refers to the provisions in the Buildings Ordinance (the Ordinance) and its subsidiary legislation in processing relevant building plans for approval. These two approving mechanisms are governed by respective legislations and land grant conditions, and the duties and authorities of the Director of Lands and the BA are clearly defined. Neither of the processing would exert any influence on the other. The industry and developers know and understand very well such existing approval procedures.

Referring to the Legislative Council question on matters concerning MLP approval by the LandsD, the Administration would respond as follows:

- (a) In approving the MLP, the Director of Lands will adhere to the conditions under the relevant land grant. Before deciding on whether approval should be given to the MLP, the Director of Lands will fully consult the other departments for their professional advice, in order to ensure that the proposed development is in compliance with requirements relating to planning, environmental protection, traffic, and so on, under the land grant conditions. In any case, property developments must be constructed in accordance with the MLP finally approved by the LandsD, as well as the

relevant building plans approved under the land grant conditions and the Ordinance. In theory, it does not contravene any land grant conditions for a developer to apply to the BA for approval of the building plans and consent for commencement of works before the relevant MLP is approved. However, as explained above, the BA, when deciding whether such approval or consent should be given, will only consider if the proposed building works are in compliance with statutory requirements and relevant building safety and health standards in accordance with the Ordinance and its subsidiary legislation. Under the Ordinance, the BA cannot reject the application on the ground that the MLP has not yet been approved by the LandsD. As such, the developer may run the risk that the approved building plans may not comply with the finally approved MLP.

For any building works which are not in compliance with the finally approved MLP, the developer will have to rectify or demolish those parts of the works.

- (b) If a developer has to amend the approved building works in order to meet the requirements of the MLP, he is required to apply to the BA for approval of the revised plans and consent for commencement of the revised building works in accordance with the provisions of the Ordinance.
- (c) According to the records of the LandsD and the Buildings Department (BD), of the development projects with MLP approved in the past three years, there are three cases in which application had been made to and grant of consent had been given by the BA for the commencement of works. Details of the concerned development projects are provided at Annex I.
- (d) According to the records of the LandsD and BD, there is only one development project for which application has been made to and consent has currently been given by the BA for the commencement of works while approval of the MLP has not yet been obtained from the LandsD under the conditions of the land grant. Details of the concerned development project are provided at Annex II.
- (e) The developers are well aware that if they commence any works prior to approval of the MLP by the LandsD, they may run the risk as stated in part (a) of the reply. According to the LandsD, there

have not been any cases so far in which the developer is required to demolish parts of the completed works so as to comply with the finally approved MLP. The existing approval procedures has effectively ensured that property developments are carried out in accordance with the MLPs approved by the LandsD and the building plans approved under the land grant conditions and the Ordinance. Therefore, further tightening of the requirements is not necessary.

## Annex I

Development projects with MLP approved in the past three years for which application has been made to and consent has been given by the BA for the commencement of works before approval of the relevant MLP

Projects	Zoning	Site Area (sq m)	Land Premium (\$)	Date of the LandsD's Approval of MLP	Date of Granting of Consent for Commencement of Works by the BA	
					Foundation Works	Building Works
(1)	Other Specified Uses	77 320	1,000	13 July 2005	First 19 July 2004 Latest 2 November 2006	First 20 April 2005 Latest 27 October 2006
(2)	Residential (Group C)	50 594	214,830,000	15 June 2006	First 25 October 2005 Latest 21 April 2006	First 15 June 2006 Latest 6 November 2006
(3)	Residential (Group D)	89 090	110,000,000	19 May 2005	First 31 December 2004 Latest 3 August 2006	First 19 February 2005 Latest 19 September 2006

Note: As the above information relates to private property developments, only the information covering their zoning, site area, land premium and the relevant dates are provided for reference.

## Annex II

Development projects with application made to and consent given by the BA for commencement of works while MLP approval has not been given by the LandsD

Projects	Zoning	Site Area (sq m)	Land Premium (\$)	Date of Submitting the MLP for Approval	Dates of Application and Granting of Consent for Commencement of Works	
					Foundation Works	Building Works
(1)	Other Specified Uses (Railway Station and Public Transport Interchange with Commercial/Residential Development)	34 151	5,391,190,000	The Grantee submitted three MLPs to the LandsD for approval in December 2005, March 2006 and August 2006 respectively.	First application 26 January 2006 First Grant of Consent 16 February 2006	First application 6 June 2006 First Grant of Consent 3 July 2006

Note: As the above information relates to a private property development, only the information covering its zoning, site area, land premium and the relevant dates are provided for reference.

**Installation of Large Television Screens on External Building Walls**

19. **MR CHEUNG HOK-MING** (in Chinese): *President, there are currently large television (TV) screens or large glass panels mounted on the external walls of some buildings in various popular shopping areas, including Mong Kok and Causeway Bay. In this connection, will the Government inform this Council :*

- (a) *whether prior approval of any particular government department(s) is required for the installation of such fixtures;*
- (b) *whether third party insurance in respect of such fixtures is required;*
- (c) *whether such large fixtures have caused any accidents or casualties over the past three years; if they have, of the compensation involved and the parties liable for the compensation;*
- (d) *whether it has assessed if these fixtures have any implications on the taking out of third party insurance for the buildings concerned; if it has, of the assessment results; and*
- (e) *whether regular inspection on these fixtures have been conducted by the government department(s) concerned over the past three years; if so, of the inspection measures taken and the results?*

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

President, our reply to the five parts of the question is as follows :

- (a) The mounting of large glass panels or large TV screens at external walls of buildings are within the ambit of the Buildings Ordinance (the Ordinance). The owner concerned should appoint an Authorized Person and, where necessary, engage a Registered Structural Engineer to submit plans for the approval of the Building Authority (BA). For large TV screens, the BA would seek advice from the relevant departments, including the Lands Department, Highways Department and Transport Department, on the locations of such fixtures.

Moreover, the owner should also engage a Registered General Building Contractor to carry out the installation works.

Large TV screens or large glass panels mounted on external walls of buildings without approval and consent from the BA are unauthorized building works (UBWs). The BA may take

enforcement actions against such UBWs in accordance with the Ordinance.

- (b) In respect of the common parts of buildings, a provision has been introduced in the Building Management (Amendment) Ordinance 2000, requiring all owners' corporations (OCs) to procure a policy of third party risks insurance for the building's common parts. As the implementation details have yet to be worked out, the provision has not yet come into operation.

The draft Building Management (Third Party Risks Insurance) Regulation 2005 (the Regulation) prepared by the Home Affairs Bureau, which sets out the implementation details of the aforementioned provision, was submitted together with the Building Management (Amendment) Bill 2005 to the Legislative Council in April 2005.

Once the Regulation comes into effect, the third party risks insurance procured by OCs for the common parts should cover all fixtures attached or mounted on the common parts of buildings.

- (c) The Buildings Department (BD) has no record of casualties caused by accidents related to large glass panels or large TV screens over the past three years.
- (d) Insurance services and relevant terms and conditions offered by each insurance company are different. In general, an insurance company will consider factors such as the number of units, building age, structural and maintenance condition, including the presence of UBWs, when deciding whether to offer an insurance policy to a client and in assessing the premium. Since individual building situation varies, it is difficult to assess whether the fixtures mentioned in the question would have implications on the procurement of third party insurance.
- (e) The BD carries out regular inspections on UBWs along main streets, including large glass panels and large TV screens. If such UBWs are found during the stage of construction, the BD will take immediate enforcement actions.

In 2005 and 2006 (up to the end of September), the BD issued 24 and four orders respectively to demand the removal of unauthorized large glass panels and large TV screens.

**Sea Burials**

20. **MR FRED LI** (in Chinese): *President, as Hong Kong has a relatively small amount of land to accommodate a large population, the niches provided by the Government have all along been in short supply. However, a recent attempt by a local organization to hold sea burials in Hong Kong waters has come to no avail, as the procedures involved are too cumbersome. In order to effectively address the demand of the public in this regard, will the Government inform this Council:*

- (a) *whether any organizations have applied for holding sea burials in Hong Kong waters in the past; if so, of the number of such applications and the number of those approved in each of the past three years;*
- (b) *of the application procedures for the holding of sea burials; and*
- (c) *whether it will adopt measures to promote sea burials, including streamlining the application mechanism and identifying suitable locations for holding sea burials, so as to alleviate the shortage of niches?*

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

- (a) The Food and Environmental Hygiene Department (FEHD) accepts applications for sea burials in Hong Kong waters but this only confines to sea burial of cremated ashes. In the past three years, the FEHD received two such applications. They were however not approved after consultation with the relevant government departments, including the Marine Department, Environmental Protection Department, Agriculture, Fisheries and Conservation Department, Home Affairs Department, Leisure and Cultural Services Department and Water Supplies Department. The reasons for objection include: the proposed places were too close to beaches, situated at inner harbour waterways or marine fish culture zones, or there might be objections from local residents. Nevertheless, applicants could still choose to arrange sea burials on the high seas.
- (b) Applications for sea burials in Hong Kong waters should be submitted to the FEHD with details such as the date, time and place

of the sea burial, particulars of the deceased, and so on. Upon receipt of the application, the FEHD will consult the relevant government departments to decide whether it can be approved.

- (c) We understand that some members of the public would like to respect the wish of the deceased to dispose the cremated ashes by other proper means. The arrangement would help relieve the niche shortage problem. We are exploring with the relevant government departments to designate suitable areas in Hong Kong waters for sea burials and put in place a well devised application mechanism with clear approval criteria and conditions.

## **MEMBERS' MOTIONS**

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

First motion: Co-operation between Hong Kong and the Pan-Pearl River Delta Region.

## **CO-OPERATION BETWEEN HONG KONG AND THE PAN-PEARL RIVER DELTA REGION**

**MR WONG TING-KWONG** (in Cantonese): Madam President, I move that the motion, as printed on the Agenda, be passed

Madam President, the National 11th Five-Year Plan (FYP) of the Central Authorities has drawn up a blueprint for the revitalization of the national economy and sustainable development of the community. The "Nine plus Two" Pan-Pearl River Delta (PPRD) regional co-operation is an important integral part to the implementation of this blueprint. Hong Kong's proactive participation in this regional co-operation is exactly one of the most significant steps in promoting the National 11th FYP as contribution to the economic development of the country. In this co-operation, Hong Kong will maintain and enhance its advantages and competitiveness, thus giving impetus to the sustainable stable development of Hong Kong economy. Hence, the co-operation carries an important meaning.

In August 2006, the Democratic Alliance for the Betterment and Progress of Hong Kong (DAB) released a study report entitled "The Prospects, Problems and Strategies of Enhancing Hong Kong's Role in PPRD Co-operation". The report covers the prospects of Hong Kong in the PPRD co-operation, the challenges faced by Hong Kong businessmen in the Greater PRD and their strategies, and the proposals put forth to the Central Government, mainland authorities and the Hong Kong SAR Government. The purpose of my motion today is to induce a wide discussion on the promotion of the PPRD regional co-operation. I hope that, through the discussion, the relevant suggestions can be further improved, and we can contribute to the promotion of the PPRD regional co-operation, solving the difficulties and challenges faced by Hong Kong businessmen in the Greater PRD and enhancing the competitiveness of the country and Hong Kong.

To facilitate the transformation of Hong Kong enterprises and upgrade the competitiveness of Hong Kong businesses in the economic co-operation with the Mainland, the DAB has proposed the setting up of a "restructuring fund" jointly by the Commerce, Industry and Technology Bureau of the Hong Kong SAR Government, the Hong Kong Productivity Centre and various trade associations. The purposes of the fund mainly include investment by Hong Kong businessmen in environmental protection, brand name development and design, equipment upgrading, and so on, with a view to helping Hong Kong businesses undergo a smooth industrial transformation as soon as possible.

This transformation must also rely on technology upgrading. Since 2004, the Guangdong/Hong Kong Science and Technology Co-operation Subsidy Scheme jointly set up by the Guangdong Provincial Department of Science and Technology and the Innovation and Technology Fund under the Innovation and Technology Commission of the SAR Government has provided subsidy to projects in six areas of technology. However, the total capital available under this subsidy scheme is too small and the effectiveness is limited. So, on this basis, the Science and Technology Development Fund under the Guangdong Provincial Department of Science and Technology has set up an applied research, science and technology fund for the Greater PRD jointly with the Innovation and Technology Fund of the SAR Government so that direct subsidy can be provided for the conduct of scientific and technological development work by Hong Kong enterprises in the Greater PRD.

Meanwhile, an applied science and technology research institute and a R&D centre for the Greater PRD should be established under the leadership of

the tertiary institutions in Hong Kong with the joint efforts of the universities and science and technology institutes in Guangdong Province. Technological development and researches can then be commissioned by Hong Kong businesses to this centre in order to solve their difficulties and problems encountered in technology upgrading. To deal with key scientific and technological projects which are important to both Guangdong and Hong Kong, a joint science and technology team can be set up for such purpose and applications for declaration of such projects as national important projects should be submitted to the State science and technology departments in order to win their support and subsidy.

Besides, at present, Hong Kong's expenditure on R&D accounts for only 0.6% of the Gross Domestic Product (GDP), ranking below the 50th in the world. This is quite disproportionate to Hong Kong's level of economic development. In view of the significance of R&D activities to the Hong Kong economy as a whole and the development of Hong Kong businesses, the SAR Government should increase investment in this aspect in order to enhance the proportion of R&D investment to GDP as soon as possible. Compared with the international community and in view of the current level of economic development of Hong Kong, the appropriate percentage of expenditure in this area should be above 2% or around \$30 billion per annum.

Next, I would like to talk about some urgent problems faced by Hong Kong businessmen in economic co-operation in the Mainland, and that is, the further adjustment of the export tax rebate rates of some commodities and the additions to the Index of Banned Categories of Goods for Processing Trade.

Five ministries and commissions, including the Treasury, the National Development and Reform Commission, the Ministry of Commerce, the General Administration of Customs and the State Administration of Taxation, published the "Finance and Tax (2006) No. 139 Paper" and the "Finance and Tax (2006) No. 145 Paper" on 14 September 2006 and 29 September 2006 respectively, in order to further adjust the export tax rebate rates of some commodities and to make additions to the Index of Banned Categories of Goods for Processing Trade.

A new policy on processing trade and tariff rebate has been implemented in the Mainland. The practice of import tariffs on raw materials imported by Hong Kong businesses for processing trade being guaranteed by the bank, and that is, the "empty transfer" of the Shadow Margin Account, has been abolished.

Furthermore, owing to the reduction of export tariff rebate on raw materials from 13% to 11%, in addition to the restriction imposed on the import of 400-odd raw materials under the new policy, factory owners are required to pay an immediate tariff of 17% on imported materials. On the other hand, a value-added tax of 18% is imposed on products of processing trade upon transfer of factory in the Mainland. As a result, factory owners are facing an immediate increase of 35% in tax cost. These measures have constituted an unbearable cost burden on factory owners. Traditional industries such as paper making, fur, leather, metal, electroplating, hardware, die-casting and toys will bear the brunt. The enterprises will close down due to an inability to provide for huge liquid capital, a lack in raw materials for normal production and inability to compete in the market.

The DAB and chambers of commerce in Hong Kong are aware of the seriousness of the situation. Moreover, in view of the fact that these measures are implemented in such a rash manner, we have immediately taken follow-up actions and reflected our views through various channels. The Industry, Commerce and Technology Bureau of the SAR Government and the SAR's offices in Beijing and Guangdong, after being informed of the matter, have taken actions expeditiously, provided assistance proactively and reflected the difficulties of Hong Kong businessmen through relevant channels. We hope that the Central Government will consider postponing the implementation of the relevant measures and providing a cushion period to the industry in order to mitigate the impact on factory owners and the economies of Guangdong and Hong Kong. Meanwhile, the Central Government should provide the industry a way of transformation or other development. The relevant ministries and commissions of the Central Government, after receiving the message, have made prompt responses. The latest development is the publication of the No. 82 Paper of 2006 by the Ministry of Commerce, the General Administration of Customs and the State Environmental Protection Agency published on 1 November. In the Paper, details are given on which materials are prohibited from import, export and import/export. Businesses of processing trade of which contracts have been approved by the Ministry of Commerce before 22 November 2006 are allowed to file documents with the Customs and have their transactions completed within one year.

This shows that the Central Authorities have listened to our voices. The SAR Government has made prompt responses and taken into consideration the impact on various sectors sensibly and comprehensively, thus giving Hong Kong

factory owners time to prepare for the future changes. Though satisfied with the result, the DAB dares not to be optimistic. We hope that the mainland authorities can set up a standing mechanism with the Hong Kong business sector and the SAR Government for consulting the industry in Hong Kong before introducing any major policies. We are also concerned about the Mainland's attitude towards the processing trade and hope that a clear direction can be provided. If the State considers that the processing trade has completed its historical mission, I hope that the processing trade enterprises are allowed to change into sole proprietorship or joint venture and given time to make preparations so that they can undergo transformation in a gradual and orderly manner complemented by policies. Such an arrangement will be conducive to the sustainable development of the economic co-operation between Hong Kong and the PRD. I hope the SAR Government can reflect Hong Kong businessmen's wishes and views as mentioned above.

Lastly, I would like to point out that we should make efforts on different fronts, adopt a proactive approach, make reference to successful examples in order to explore new horizons for the Hong Kong economy. In this connection, I mentioned the development concept of the small-scale commodity market in Yiwu in the Motion of Thanks to the Chief Executive's policy address, hoping that this would arouse considerations on the transformation of Hong Kong economy. Given that conditions are ripe for Hong Kong to become another big international commodity trade platform, we can consider making good use of the vacant factory buildings and the area released from the Frontier Closed Area which can be designated for setting up a commodity sale exhibition market. In this idea of mine, the Hong Kong authorities will only monitor people but not commodities while the mainland authorities will monitor commodities but not people. Under such an arrangement, the market will become a commodity trade platform for mainland products and products from the rest of the world. Businessmen from foreign countries can buy mainland products here while mainland buyers can purchase foreign goods, thus streamlining the transaction process and cutting the transaction costs. This will not only benefit Hong Kong's commerce and trade but also all sectors in the territory.

I believe that with the efforts of the business sector and the complementary effort of the SAR Government in terms of policy, we can help Hong Kong to develop its new growth areas in economy, enhance its competitiveness, give impetus to its economic transformation so that it can better complementary the country's economic development. Madam President, I so submit.

**Mr WONG Ting-kwong moved the following motion: (Translation)**

"That, as Pan-Pearl River Delta (PPRD) regional co-operation is an important and integral part to the implementation of the National Eleventh Five-Year Plan, and it offers enormous business opportunities for the development of Hong Kong, while at the same time posing great difficulties and challenges to the Hong Kong businessmen in the Pearl River Delta (PRD), this Council urges the Government to take proactive measures to promote the co-operation between Hong Kong and the PPRD Region, including:

- (a) offering incentives to attract mainland enterprises to set up regional headquarters and engage in various investment activities in Hong Kong;
- (b) assisting in the development of a set of standardized commercial terms for the PPRD Region;
- (c) stepping up negotiations to expedite the construction of transport facilities linking Guangdong, and expeditiously implementing the plan to construct the Hong Kong-Zhuhai-Macao Bridge;
- (d) increasing the Hong Kong SAR Government's expenditure on research and development (R&D);
- (e) setting up a restructuring fund to assist Hong Kong businessmen in upgrading and transforming their businesses;
- (f) promoting the setting up of an "applied research, science and technology fund" jointly by Hong Kong and Guangdong for the Greater PRD;
- (g) establishing an applied science and technology research institute and a R&D centre for the Greater PRD; and
- (h) reflecting to the relevant mainland departments that, prior to the introduction of major commercial laws and regulations in the Mainland, Hong Kong businessmen should be notified as early as possible and given sufficient cushion periods,

so as to assist Hong Kong in developing new areas for economic growth, enhancing its competitiveness, facilitating economic restructuring and better complementing the country's economic development."

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

**PRESIDENT** (in Cantonese): Mr Howard YOUNG and Mr Ronny TONG will move amendments to this motion respectively, and Mr CHAN Kam-lam will move an amendment to Mr Ronny TONG's amendment. The motion and the amendments will now be debated together in a joint debate.

I will call upon Mr Howard YOUNG to speak first, to be followed by Mr Ronny TONG and Mr CHAN Kam-lam; but no amendments are to be moved at this stage.

**MR HOWARD YOUNG** (in Cantonese): Madam President, this is third year since the PPRD Regional Co-operation and Development Forum was launched. Unquestionably, the PPRD regional co-operation has brought abundant business opportunities for the region and Hong Kong. According to relevant data, the export and import volumes of the PPRD Region has reached US\$280 billion in the first half of 2006, representing an increase of 23.3% compared with the same period of 2005.

Given the strong momentum of the PPRD regional co-operation, it is our common wish that it will bring us mutual benefits and a win-win situation. However, as there is a lot of room for improvement in many aspects in the two places, I, on behalf of the Liberal Party, would like to move an amendment in order to suggest specific proposals on improvement of air quality, promoting the development of the financial industries, tourism, shipping industries and trade in commodities of the two places.

Madam President, today I would like to focus on co-operation in tourism and shipping industries in the PPRD Region. Regarding suggestions on other areas proposed in the amendment, colleagues from the Liberal Party will expound on them.

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

From the perspective of tourism, as the PPRD Region has a huge population, if it can link up with Hong Kong, the whole area will become a large tourism region. No matter it is tourists from other mainland provinces/cities or overseas countries, if they can tour around all the tourist spots or enjoy a series of tourist facilities in both places, it will certainly be very attractive to them.

In fact, our neighbouring countries in Asia have already realized the tremendous business opportunities offered by multi-destination tours. They have developed and promoted multi-destination itineraries one after another. For instance, the "Singapore-Malaysia-Thailand" tour with which Hong Kong people is most familiar, is one of the typical examples. Owing to the popularity of the film "Lord of the Rings trilogy", Australia and New Zealand have joined hands to promote "Australia-New Zealand Lord of the Rings locations tour" which has also boosted the tourism of the two countries.

In the past, it was not easy for Hong Kong to launch multi-destination itineraries because Hong Kong was required to liaise with our neighbouring regions, cities or countries on details concerning transport and visa arrangements, and so on. Now, we have the "Nine plus Two" PPRD market, which is shared by us. It will be much easier for us to discuss the details as we belong to the same family.

We have to put our concept into practice in order to explore such tremendous business opportunities. The Government should, first of all, adopt measures to improve the flow of people in order to enable Hong Kong and the PPRD Region to develop into an integrated tourism entity. So, cross-boundary infrastructure, such as the Hong Kong-Zhuhai-Macao Bridge, should not be ignored, and should be finalized expeditiously.

Regarding air passenger transport, some barriers in the PPRD Region remain to be removed. For instance, the airspace in the PRD Region is under the jurisdiction of three different places, thus creating an invisible wall in the airspace which has led to waste of air fuel and pollution problem. The SAR Government should liaise with the governments of the PRD Region in order to fight for the right to take up the co-ordination work. I believe this will help the

Hong Kong airport and various airports in the PRD Region to upgrade their capacity and reduce cost of operation.

We also hope that the SAR can negotiate with the governments of the PPRD Region so that Hong Kong can introduce more new flights to secondary cities in the PPRD Region as soon as possible. In doing so, these cities can benefit from development direct and this will help Hong Kong and the PPRD Region build up a comprehensive aviation network.

Also, in view of the growth in business, tourism, visits and exchanges in the PRD Region and most of these trips are short-haul with time spent in travelling to and from the airport and customs clearance longer than the actual flight time, it is necessary to introduce helicopter services for air passenger transport in addition to flight services. We suggest that the Government should expeditiously construct a permanent commercial cross-boundary heliport in the city centre for providing such service between Hong Kong and the PRD Region. Moreover, co-location of immigration and customs clearance should be provided for the convenience of the travellers.

We should also develop more water transport routes in order to cope with the demand so that these services can be integrated to become a new passenger and freight link. For example, the Hong Kong Government should strengthen inter-modal connection services of the airport and set up immigration counters at the SkyPier in order to further attract tourists and provide convenience to tourists from the Mainland, especially those from the PRD, to tour around Lantau Island. They can also board vessels at the Chek Lap Kok International Airport.

In November 2005, the cross-boundary in town check-in service was jointly provided by the Hong Kong International Airport and the Shekou Passenger Terminal at Shenzhen. This is a successful example. Travellers embarking at Shekou can get boarding passes and consign their baggage immediately. They can then travel to the Hong Kong International Airport by ferry and board the plane there. This is a convenient and speedy service worth extending to other ports in the PRD.

Besides, although CEPA has lowered the threshold for Hong Kong travel agencies to go into the mainland market, the industry still hopes that the Government can fight for relaxation of the restrictions on tour services provided by Hong Kong travel agencies in the Mainland. For instance, the PPRD

outbound tours can be used as the testing point. The Government may also consider allowing Hong Kong travel agencies which have been granted permission to receive mainland tourists to operate "Hong Kong tours" in the PPRD direct.

This will not only ensure the quality of Hong Kong tours but also enhance the confidence of mainland visitors. In the long term, I believe Hong Kong travel agencies can provide more comprehensive services on the basis of their expertise accumulated over the years and their global networks. This will promote tourism in the Mainland and enhance Hong Kong's status in tourism.

Lastly, Deputy President, regarding Mr Ronny TONG's amendment, we think we can promote Hong Kong's strengths such as the rule of law and the culture of corporate governance in the PPRD Region. However, we should note that Hong Kong and the Mainland are practising two different legal systems. We should not try to equate Hong Kong with the Mainland arbitrarily and impose one's system on the other. In Mr CHAN Kam-lam's amendment to the amendment, however, Mr CHAN has clearly pointed out that what we should do is to strengthen the exchange and co-operation only. This is more relevant to the motion.

Deputy President, it is an inevitable trend that we will complement each other's strengths in tourism co-operation in the PPRD. So, it is all the more important for us to continuously upgrade the service standard of travel agencies in order to ensure that tourists can enjoy a happy stay in Hong Kong, both in terms of fun and spending.

I so submit.

**MR RONNY TONG** (in Cantonese): Deputy President, many people in Hong Kong regard the National 11th Five-Year Plan (FYP) as a business opportunity for Hong Kong and have repeatedly urged the Hong Kong Government to make more efforts in various aspects to tie in with the FYP so that Hong Kong can gain from it.

However, we should not set our eyes on scrambling for business in the Pan-Pearl River Delta (PPRD). Rather, Hong Kong should bring its established advantages into full play to complement the development of the PPRD in order to

win business from the country and even the rest of the world. Unfortunately, many Hong Kong people still set their minds on how to make money at the expense of the mainland compatriots. For example, the development of tourism depends on the Individual Visit Scheme and the financial services sector has repeatedly requested the Central Government to open up the Renminbi business or introduce new phases of CEPA. All these have proved that both the SAR Government and Hong Kong businessmen have harboured such a mindset. We can even see that individual political parties have often requested the Central Government to do this and to do that, as if they are unable to survive on their own, waiting for handout from the Central Government. They are really a "help-seeking party".

Since the 1950s, Hong Kong has been acting as a bridge between mainland China and the rest of the world. Even today when Shanghai and the PRD have taken off, Hong Kong still enjoys advantages in a freely convertible currency, a perfect and widely recognized legal system and rule of law, and professional service standard. All these still exist in Hong Kong. From the angle of international business, these are the major attractions of Hong Kong as a business centre.

Under the FYP, what role should Hong Kong play in the PPRD Region? Some may think that the SAR should strive to be an oasis in a desert, trying to draw as much money as possible from the peripherals. However, I think this is an extremely short-sighted and selfish idea. It seems that they do not know that the two places share a common lot. An oasis can turn the surrounding desert into grassland and one day, the whole piece of land will become a robust forest.

On the economic development front, Hong Kong should not only place its emphasis on attracting capital from the PPRD and conducting fund-raising activities of different scales. If the corporate governance level and quality of mainland companies fall short of the international standards and fail to live up to the expectation and demand of international investors, the short-term prosperity as a bubble will burst, the chain effect of which will lead to dire consequences. At present, individual mainland enterprises do not have adequate respect for the rule of law and a culture of corporate governance which is on a par with the international standard. Although this is an individual case, a bad apple can tarnish the reputation of the whole box of apples and international investors will hesitate to come to Hong Kong. So, to blindly attract capitals from the

Mainland to Hong Kong is like killing the goose that lays golden eggs, an approach which aims at quick success and instant result.

Deputy President, in the past few years, a lot of surveys have claimed that the competitiveness and corruption problem in Hong Kong seem to have deteriorated. Why? Is it because we have been adversely affected by the lax business culture in the surrounding region, resulting in the gradual burial of this tiny oasis by the surrounding desert? Hong Kong has not adopted any measure in respect of promoting our culture of corporate governance to the PPRD Region. Neither has the SAR Government formulated any policy direction in this regard, not to mention any ideal vision.

We have sound institutions, rule of law and professional service which are on a par with the international standard. During the process of co-operation between Hong Kong and the PPRD, we should not only attract the counterpart's capitals to Hong Kong but also engage in exchanges at different levels. One of the exchanges is to bring our rule of law and culture of professional governance to the PPRD Region. In doing so, not only will the Region benefit, the country as a whole will also benefit.

Deputy President, just now, I heard Mr Howard YOUNG mention his worry that my amendment aimed at extending our legal system to the Mainland. This is absolutely not what we are trying to advocate. What we said is respect for the rule of law, irrespective of whether we are in the practice of the legal system under the common law, the European law or the legal system of our own country. The spirit of the rule of law should prevail. Our advocacy is the culture of corporate governance recognized by the international community. Such a culture will not only be applicable to the unique institution or legal system of Hong Kong. So, what we said are some basic principles in the international community. We hope that the PPRD Region as a whole can develop into a commercial centre on the basis of Hong Kong's advantages in this regard.

Deputy President, I think in promoting this culture, it is all the more important for us to remind Hong Kong people that this culture is the core value most treasured by Hong Kong. It is also a characteristic of Hong Kong culture. In the process of promoting this culture, Hong Kong people can also understand more of corporate governance, legal system and rule of law, as well as the importance of these concepts to the sound operation of Hong Kong and any other economies. Besides, we can also benefit from the process of promoting these concepts to the PPRD Region. Hong Kong has a more comprehensive

development in these aspects. Through the promotion process, we will have the opportunity to deepen these concepts so that Hong Kong people can understand that these are the elements contributing to Hong Kong's success in the past.

More importantly, Deputy President, we should not forget that the 11th FYP does not focus on economic development only, but also on development in respect of social and livelihood issues. We very much hope that we can bring the whole discussion to the level of social culture and people's livelihood instead of fixing our eyes on making quick money or even making quick money at the expense of our compatriots.

Deputy President, during this discussion process, we hope that through a wider discussion, we can lay a better foundation in matters relating to the co-operation between Hong Kong and the PPRD and we can have more relevant and wider discussions. Other Members of the Civic Party will speak on other aspects. Because of this, we do not hope that today's motion debate will only focus on the economic development aspect of the 11th FYP.

Thank you, Deputy President.

**MR CHAN KAM-LAM** (in Cantonese): Just as Mr WONG Ting-kwong stated in the motion, the Pan-Pearl River Delta (PPRD) regional co-operation is an important and integral part to the implementation of the 11th FYP, and it offers enormous business opportunities to the development of Hong Kong. However, we should definitely not neglect the fact that, just like the two sides of a coin, behind the enormous business opportunities are challenges.

Therefore, the focus of our discussion today is how to make good use of our strengths to compensate for our weaknesses, with a view to giving full play to the advantages of co-operation, while at the same time resolving the prevailing difficulties seriously. The Central Authorities' 11th FYP provided the blueprint for national economic and social development. It pointed out clearly that Hong Kong should maintain the role as a financial, tourism, shipping and business centre, and its proactive role carries very heavy weight in the South China economy. The "Nine plus Two" PPRD regional co-operation, on the other hand, is an important strategic extension of the implementation of this blueprint. The active participation of Hong Kong in regional co-operation will not only facilitate the implementation of the 11th FYP and contribute to the national

economic development, such co-operation also enables us to maintain and enhance our edges and competitiveness, while promoting sustainable and stable development of our economy. We do not make the above suggestions for the sake of benefits, but mainly in the hope that there can be sustainable economic development in Hong Kong.

How are we going to position ourselves for being part of the country's overall plan? What is our role to play? These issues have all along been of great concern to us. We opine that Hong Kong should give full play to its competitive edges in the PPRD regional co-operation, namely, the well-known financial market, free flow of information and sound institutions. Hong Kong should therefore position itself as a focal point of companies providing financial and professional services, a base for production and innovation of high technology industries, as well as a market for products and creative activities in the region. Hong Kong is the one and only place in the region that can play this role.

There will certainly be a lot of obstacles and problems to address in promoting PPRD integration, so the DAB has published a report entitled "The prospect, problems and strategies of Hong Kong in relation to the Pan-Pearl River Delta regional co-operation". It contains suggestions from different perspectives, such as formulating strategies to address the differences in regionalization; enhancing the standard of globalization and regional edges; optimizing the business environment of Hong Kong; promoting the headquarter effect; establishing a set of standardized commercial terms for the region in relation to, say, labour service, taxation and customs services, as well as expediting the construction of transport links between Hong Kong and Guangdong, which include comprehensive linkages between the highway and railroad networks, such as expediting the construction of the Hong Kong-Zhuhai-Macao Bridge. These are all practicable proposals, and it is hoped that the Government will study into them and discuss with the mainland authorities for early implementation.

We just said that we should make good use of our own strengths to compensate for our weaknesses. Having discussed our strengths, so what about our weaknesses? Our mentality is one of them. Deputy President, the successful integration between Hong Kong and the PPRD does not hinge on the implementation of policies alone, a change in mentality is also very important, of which the big Hong Kong ego must be overcome in the first place. Hong Kong

people's mentality of belittling the mainland systems and always think that the Mainland is inferior to Hong Kong is not conducive to mutual co-operation. This is precisely the main reason why I have to amend the amendment proposed by Mr Ronny TONG. His amendment placed too much emphasis on Hong Kong's leading role, and suggested that our rule of law and culture of corporate governance should be promoted in the Mainland with a view to raising its economic and corporate governance levels. This has precisely demonstrated such tendency to be a master of others, as well as the mentality of being egoistic and belittling the Mainland, which is absolutely detrimental to the exchange between the two places.

Much to our regret, such mentality has always existed. People always think that the Mainland should learn more from Hong Kong, and the co-operation between the two places will help upgrade and benefit the Mainland. It is precisely because of this mentality that the integration between the two places has not been vigorously taken forward in the past years, and much time has been wasted. As a matter of fact, it would be premature to say that Hong Kong will be marginalized. It is, however, an indisputable fact that some of our inherent strengths have been undermined. If we continue to restrain ourselves from making progress and maintain the big Hong Kong ego, the discussion on the promotion of co-operation between Hong Kong and the PPRD today will only end in vain.

We agree that Hong Kong's rule of law and culture of corporate governance undoubtedly have an edge over our neighboring regions, but we must also note that mainland enterprises will not only learn from the experiences of Hong Kong in the course of development, but the advanced experiences of the international community as well. With the continuous expansion of mainland enterprises, the first problem that will crop up definitely relates to corporate governance. Yet, precedents of success are not uncommon. We should not harbour the mentality that the business environment and market culture of the Mainland are still as closed as in the '60s. In recent years, a hot topic among the mainland enterprises is "to go global", whereby thousands of enterprises have expanded their businesses to different parts of the world. Apart from bringing themselves on par with international corporate governance, it is also necessary for these enterprises to optimize the uniqueness of China's long history and cultural substance so as to highlight their unique competitive edges and strengths. Therefore, we agree that it is necessary to strengthen the exchange between the two places in these respects, and it is believed it can better describe

the co-operation between the two places. Deputy President, insofar as the development of the two places is concerned, I hope that Members can stand higher and see farther. We hope that Hong Kong can co-operate wholeheartedly with the Mainland. Thank you.

**DR LUI MING-WAH** (in Cantonese): Hong Kong economy has experienced several instances of restructuring over the past five decades. Such restructuring was driven internally by self-initiated economic activities in every instance, during which the Hong Kong economy developed and achieved full employment, thereby raising the living standard of the general public.

The last restructuring originated from the start of the reform and opening of the Mainland in 1978, and it was triggered by the relocation of Hong Kong's manufacturing industry to the Pearl River Delta (PRD) where the cost was lower. As a result, the Hong Kong economy which had all along been built on the manufacturing industry gradually lost its impetus for economic development; and from 1998 onwards, our economy fell into the abyss of recession. Were it not for the introduction of CEPA and the Individual Visit Scheme by the Central Government in 2003, coupled with the increased listing of some gigantic national enterprises in Hong Kong to boost economic recovery in recent years, Hong Kong economy might still be at a lost, not knowing where to head for, and all efforts would have been ended in vain. This marked the beginning of our economy's heavy reliance on mainland support. Yet, can economic growth be sustained in the long run by such heavy reliance on the policy of the Central Government?

Hong Kong is from the start part of China, it is therefore a good thing to have Hong Kong and the Mainland complementing each other's competitive edges and developing hand-in-hand. However, the unique political status of Hong Kong has made co-operation with the PRD Region rather embarrassing. Firstly, Hong Kong being a Special Administration Region (SAR) does not have any subordinate relationship with Guangdong Province, macro adjustment is therefore extremely difficult. In respect of the economy, after two decades of development and growth, private enterprises in the PRD now have very strong competitive power, and can give full play to their competitive edges in pursuit of remarkable performance. So, the slogan of mutual complement of edges is no longer applicable. Secondly, the operating cost in Hong Kong is very high and cannot compare favourably with the PRD. Under this objective circumstance,

Hong Kong and the PRD cities have become competitors. Although the competition is healthy and both sides are indeed racing against time, it can be clearly seen that the opportunities brought about by the reform and opening at the early stage to Hong Kong have gradually disappeared with the rapid development of the Mainland's business and commerce sectors, and the overall edges of Hong Kong have also been eroded gradually.

In the thinking of the SAR Government, the pillars of Hong Kong economy are financial services, logistics, tourism and trading services. This implies that the role of the Hong Kong economy is to serve the mainland economy and act as a bridge for the Mainland to go global. The economic development of Hong Kong is thus placed in a passive position and becomes dependent on the mainland economy, and it would adjust to tie in with the development of the Mainland in order to find room for survival. The problem is other cities in the PRD are also developing their logistics and transportation industries at a rapid pace, and may probably replace Hong Kong to assume the leading position in logistics shortly. Given the limitations in tourism development, it can never serve as an impetus for economic development. Hong Kong has an edge in financial services, but considering that even the financial sector of New York accounts for about 25% of its GDP only, are we going to bet our economic development entirely on financial services? Furthermore, with the advancement in communication and transportation, coupled with the convenience available in overseas business travel, the business sector of the PRD is now capable of attracting investments and co-operation from overseas businessmen directly. As a result, Hong Kong's role as a bridge has become less important. Under this objective circumstance, is the future of Hong Kong not clear enough?

Certainly, it is a social consensus that "if China is good, Hong Kong will be better". However, given that the Hong Kong economy only plays a passive role, where self-adjustments are made merely to serve the rapidly-growing mainland economy and where there are no irreplaceable edges at all, it will soon lose its competitiveness in the course of competition and be marginalized. This is indeed voluntary belittlement and inequitable competition. To ensure long-term stability, Hong Kong must adopt proactive economic policies, achieve self-strengthening and propose new directions for development. Furthermore, it should, of course, consolidate and maintain the competitive edges of the four major economic pillars of the economy in this course. While vigorously pushing forward the regional co-operation with the PPRD Region, we should

also work hard to strengthen the independence and initiative of our economy, with a view to establishing new competitive edges and working out a proper positioning. An overview of the independent economic entities around the world shows that only with a robust manufacturing industry producing quality products continuously and exporting large quantities of goods for earning foreign exchanges and wealth creation can the foundation of economic stability and sustainable development be laid. Therefore, all governments around the world are trying all sorts of means to enhance local enterprises' competitiveness in the world market and facilitate the innovation and upgrading of their manufacturing industries, so as to enable local enterprises to gain a foothold in the world market.

The phenomenal growth of the mainland economy has provided Hong Kong with an enormous market, thereby giving an opportunity to the manufacturing industry. What is lacking in Hong Kong now is the provision of incentive and support by the Government. In Taiwan, South Korea and Singapore, the upgrading and technology development of industries owed their success to the concerted efforts made by the governments and the business sectors through the introduction of policies, and the provision of guidance and assistance. Therefore, the SAR Government should formulate new industrial policies and promote neo-industrialization in Hong Kong by playing a leading role. Facilitating Hong Kong enterprises in upgrading their products and enhancing their competitiveness, and providing tariff-free treatment under CEPA to enable the sale of local products in the Mainland and world markets are the proactive and aggressive economic strategies that should be adopted to maintain the status and long-term stability of our economy, and they are also the fundamental reasons for the success of the Hong Kong economy in the past.

If the SAR Government still fails to get a good grasp of the complicated situation faced by Hong Kong with vision and get to the core of economic development, I am afraid that our economy will gradually shrink amidst the emerging neighboring regions. Hong Kong will eventually lose out in the competition, and fail to escape from the fate of being marginalized. Our economy is now at a critical moment. Whether it can transform successfully in the course of integration with the Mainland so as to achieve stable and steady growth of the whole economy hinges on the determination and resolute actions of the SAR Government.

I so submit. Thank you, Deputy President.

**MR JAMES TO** (in Cantonese): Deputy President, the motion moved by Mr WONG enables us to contribute our ideas and examine how Hong Kong can respond to the opportunities and challenges brought about by the Pearl River Delta (PRD).

The Democratic Party's detailed suggestions made in response to the 11th FYP have been submitted to the Government, and in view of the time constraint, I am not going to elaborate on them in detail here. We agree to many of the viewpoints highlighted in Mr WONG's original motion, for instance, attracting mainland enterprises to set up headquarters in Hong Kong, and in particular, strengthening the transport facilities linking Guangdong, such as the Hong Kong-Zhuhai-Macao Bridge. We are not going into the details now.

Nevertheless, the Democratic Party will abstain from voting on today's questions, including the original motion and all the amendments. Why? Because we have reservations about the two funds and the centre proposed to be set up in the original motion, which include three proposals on the setting up of a restructuring fund to assist Hong Kong businessmen in upgrading and transforming their businesses; promoting the setting up of an "applied research, science and technology fund" jointly by Hong Kong and Guangdong for the Greater PRD, and establishing an applied science and technology research institute and a research and development (R&D) centre for the Greater PRD.

In fact, considerable resources have been injected by the Government in assisting the business sector. The proposal that the recipients of such subsidy are allowed to use the factory plants in the PRD, as stated in the original motion, is already covered in certain funding schemes. Therefore, the Democratic Party has doubts about the need of setting up two other funds and a R&D centre as proposed in the motion.

By coincidence, the Audit Commission report released today also mentioned abuses in relation to the four small and medium enterprise (SME) funding schemes. Before setting up any new fund or R&D centre, I think that the Government should, at the same time, examine if there is a need to review the current situation and whether there are loopholes in the schemes in question.

The Democratic Party agrees that, in some circumstances, the Government should play the role of upgrading the competitiveness of enterprises. However, in what ways and under what circumstances should it be done and what kind of resources is required?

First, although I have been listening very carefully to Mr WONG's speech just now, we still do not get the specific details of the funds he referred to. I must point out that the enterprises will definitely evaluate the pros and cons of upgrading and transforming their businesses as they all invest for profits. Furthermore, it is also pointed out that many SMEs find it difficult to raise funds.

However, the funds available under the SME Loan Guarantee Scheme provided by the Government under the SME Funding Scheme has already provided all Hong Kong registered SMEs with a guarantee of up to \$2 million with a guarantee period of five years. The SMEs can therefore obtain a loan of up to \$4 million for purchasing appropriate equipment, including "machinery, tools, computer software and hardware, communication system, office equipment, transport facilities, furniture, fixture", which can all be used outside Hong Kong. Therefore, in relation to the objective of the original motion which calls on the Government to help the SMEs to secure loans, I believe it can generally be achieved with the funds available under the existing SME Loan Guarantee Scheme. If it is found that there is a deficiency or a lack of resources in the existing scheme, the Government can simply amend the relevant terms as there may not be a real need for the establishment of any new scheme.

If the proposed upgrading and transforming of businesses is aimed at enabling Hong Kong businessmen in the Mainland to replace their machinery and equipment, owing to a lack of comprehensive information at this stage, the Democratic Party has reservations about the scheme. Furthermore, the government-financed Hong Kong Productivity Council has already established three subsidiaries in Guangzhou, Dongguan and Shenzhen since 2003 to assist mainland companies by providing consultation and technology development services, which include improving the productivity of Hong Kong businesses. In the past, many Hong Kong manufacturers have enhanced their competitiveness with the help these specific services. Can this arrangement not better cater for the needs of the manufacturers than the provision of finance alone?

With regard to the promotion of the setting up of an "applied research, science and technology fund" jointly by Hong Kong and Guangdong for the Greater PRD to finance scientific research activities of Hong Kong enterprises in the Greater PRD, the Democratic Party doubts if it is necessary to set up another fund because the existing Innovation and Technology Fund (ITF) also entertains application for funds from Hong Kong registered companies for research

projects undertaken outside Hong Kong. Manufacturers operating in the PRD are not excluded. The Democratic Party wishes to hear any deficiencies in relation to the scheme with a view to improving the existing fund, or deciding on the real need for a new fund.

Furthermore, the ITF had established the Guangdong/Hong Kong Technology Cooperation Funding Scheme sometime ago, which was funded by the ITF and the Guangdong Provincial Government to finance research projects of both places. The DAB criticized that the amount of fund was too low where each PRD enterprise received on average a few thousand dollars only. The Democratic Party, however, thinks that the objective of this Cooperation Funding Scheme is to finance research projects, the question of whether the amount of fund approved is sufficient should depend on the need of the project in question, instead of the number of Hong Kong businesses in the PRD. I hope that the Government will give us a detailed account on this on completion of the review of the scheme.

As for the establishment of an applied science and technology research institute and a R&D centre for the Greater PRD, it is already covered by the existing ITF.

Under the ITF there is the Innovation and Technology Support Programme which supports midstream/downstream R&D projects undertaken by universities, industry support organizations, professional bodies and trade associations; whereas the University-Industry Collaboration Programme aims at stimulating private companies to undertake research in collaboration with universities.

In general, while the ITF has a balance of about \$4 billion, the government commitment under the SME Funding Scheme also amounts to \$7.5 billion, for rendering support to Hong Kong businesses, including those in the Mainland.

We have also studied the DAB's report in detail, but much to our regret, there is no study on the deficiencies of various funding schemes currently available for the business sector that justifies their replacement by new initiatives. We therefore hope that Members of the DAB can convince us and other colleagues by giving a detailed account on this.

Finally, in relation to Mr Howard YOUNG's amendment which calls for a reduction in the operating costs of the aviation industries in both places to

enhance competitiveness, we do agree with it. Of course, the operation of the Oasis Hong Kong Airlines Limited may not be satisfactory at the moment, but it is indeed an irreversible trend to provide this kind of inexpensive air and travel services. If we can actually reduce the operating costs of the aviation industries, thereby encouraging more low-cost budget travel or budget air packages, it will in turn promote the links between Hong Kong and the Greater PRD. This approach is absolutely beneficial to the economic integration between Hong Kong and overseas countries and the enhancement of the country's competitiveness as a whole.

**MISS TAM HEUNG-MAN** (in Cantonese): Deputy President, nearly all major political parties have proposed amendments to today's motion, proving that people from all walks of life are gravely concerned about how Hong Kong co-operates with the PPRD. However, it seems that Hong Kong is now engaging in competition rather than co-operation with different provinces and municipalities in the PPRD, and it is not something we should take too lightly.

Nowadays, Hong Kong is in direct competition with nearby mainland provinces and municipalities in many areas. In logistics, for example, according to a research report released earlier by the Greater Pearl River Delta Business Council under the Hong Kong/Guangdong Co-operation Joint Conference, the cargo throughput of Shenzhen ports will outgrow Hong Kong in as short as two years. Besides, active consideration has been given by Fujian Province to constructing the Jinxia Bridge in collaboration with Taiwan, linking Xiamen, Fujian with Jinmen, Taiwan. This implies that the three modes of communication will be established in the near future.

If there is competition in different areas, co-operation between Hong Kong and the nearby provinces and municipalities will encounter many difficulties. In order for two places to find room for co-operation, generally speaking, each should have its own uniqueness or competitive edges that are irreplaceable by the other party; otherwise, what is the point of co-operation? Before engaging in co-operation with the PPRD, we should first consider the role to be played by Hong Kong in such co-operation.

Hong Kong has been serving as a window for the Mainland in reaching out to the rest of the world. The kernel of truth of Hong Kong's sustainable development is therefore "leverages on the Motherland while engaging itself

globally". However, it seems that the Hong Kong economy has instead been engaging itself to the Motherland in recent years, whereby different industries and sectors of Hong Kong have accorded top priority to gaining access to the mainland market and earning the money of 1.3 billion compatriots, while gradually forgetting its own competitive edges and values.

I find that this trend of all sharing a confined market will eventually pull other mainland cities closer to Hong Kong which will lose its competitive edges in the end. What other bargaining chips do we have in the negotiation with the PPRD on regional co-operation? It is because the mainland provinces and municipalities will say, "We have what you have, why must we co-operate with you?"

Hong Kong must get back its competitive edges and maintain its role as a window, with a view to earning foreign exchanges in collaboration with different provinces and municipalities in the PPRD Region. I believe with our sound legal system, effective management, financial infrastructure, professional services, human rights and freedom, it may not be possible for the PRD cities to surpass Hong Kong in the foreseeable future. Hong Kong must bring its strengths into the PPRD Region so as to facilitate the economic and social developments in the region.

Deputy President, once the mode of co-operation with the PPRD Region is decided, we will then have to see what measures the Government should adopt to tie in with this direction.

Nowadays, many professions are still facing very high thresholds, and a very good example is the accountancy profession. I have called on the Government more than once here to look squarely at the accountancy profession's potential in making contribution to promoting mainland economic development and upgrading the quality of corporate governance. And yet, it still encounters many difficulties in going north for development. It is hoped that the Government will step up negotiation with the Mainland.

However, the provision of incentives can only attract professionals to go to the Mainland, but if they simply move around blindly without any support thereafter, they will just end in a sorry plight. Will they still be able to work in collaboration with the PPRD? I suggest that the SAR Government should

expand its liaison network of mainland offices with a view to providing Hong Kong people with more prompt and comprehensive support services.

On the other hand, Hong Kong serves as a very good base for mainland enterprises to go global. The SAR Government should attract mainland companies to Hong Kong through the provision of different incentives, so as to enable them to further develop under the more stringent, comprehensive and transparent Hong Kong regime, with a view to achieving full convergence with international standards. Such incentives may include tax concessions or the streamlining of approval procedures.

The 11th FYP launched by the Central Government this year has laid down the direction for development of different places. I hold that our co-operation with the PPRD also requires an overall plan so as to avoid redundancies in development and competition. An example of redundancies is the existence of five airports in a place as small as the PRD. Therefore, in the PPRD regional co-operation, it is imperative for different provincial and municipal governments to draw up a development plan together.

The SAR Government should also consider making use of its aviation network, which is superior to other PPRD cities, to enhance aviation development. This will avoid competition with other ports in the PPRD Region in terms of the cost of sea transport, as it will be impossible for Hong Kong to reduce its operating cost to a level on par with the Mainland in the short term. Also, this will avoid redundancies in respect of shipping infrastructure.

Deputy President, in relation to the co-operation between Hong Kong and the PPRD, consideration should be given to consolidating the inherent competitive edges, avoiding direct competition, facilitating the Mainland in accessing overseas market and providing professional advice. Only by so doing can Hong Kong truly "leverage on the Motherland while engaging itself globally" and give full play to its irreplaceable competitive edges. With these remarks, I support the original motion and all the amendments. Thank you, Deputy President.

**MS AUDREY EU** (in Cantonese): Deputy President, I wonder if it is because of the Chief Executive's recent remarks about giving up "positive non-interventionism" that we have Mr WONG Ting-kwong moving this original

motion today, calling on the Government to adopt proactive measures. Indeed, he has been very active in suggesting altogether eight points.

I find it rather difficult when it comes to voting on these motions in the Legislative Council because, even though the general direction or objective of the original motion may be agreeable, the many details attached to it will give rise to certain problems. Problems may also arise when there are ambiguities in the details of the motion, just as those mentioned by Mr James TO earlier concerning the specific details of funds or R&D centre, which have already existed.

Deputy President, as you may be aware, Secretary Prof Arthur LI has recently come forth in a very high profile and asked, "How can the Government help other people to make money?" Vouchers are therefore not applicable to independent kindergartens. Given this premise, should the Government, however, support the setting up of a restructuring fund to help Hong Kong businesses to upgrade and transform. Mr WONG may be criticized for requesting the Government to set up funds for the provision of loans to help other people to make money. In fact, very often the Government did set up a lot of funds and applications for these funds are not a big problem in principle. Very often, it has to depend on the extent, use, regulation, and so on.

In such circumstances, how should Members vote on such a motion? No matter how we vote, we are wrong. If we vote against it, someone may ask how come the promotion for co-operation with the PRD would be objected? But if we abstain from voting, we may be accused of sitting on the fence.

Regarding these motions, it has all along been the practice of the Civic Party to take side with their general directions, rather than examining them *seriatim* as we do with bills. Therefore, our attitude has always been to promote consensus building in the Legislative Council by all means. I think that we can take time to discuss the issue in relation to details, as raised by Mr James TO, to examine if the available funds are sufficient, and whether improvements to the existing funds or the setting up of new funds are necessary. This is the attitude we adopt in relation to this motion. Deputy President, I therefore hope that when the Government or the Secretary looks at the final voting result, the focus should not merely be whether we have voted in favour of it or abstained from voting, and whether or not the motion is carried, but the specific content of our speeches.

Today, I am very glad to see that this motion contains so many items, just like the decorations hanging on a Christmas tree, about which Members are free to speak. I am particularly interested to speak on the two parts of the amendment proposed by Mr Howard YOUNG, and one of them concerns air quality. When co-operation with the PRD was discussed in the Legislative Council in the past, the issue of air quality had not been touched on and the thrust of the discussions lied in business co-operation. And yet, air quality is actually a very important issue.

(THE PRESIDENT resumed the Chair)

As we all know, the governments of Hong Kong and on the Mainland have already set the emission reduction target for the year 2010. However, today we dare not be too optimistic about the meeting of this target on schedule. Moreover, what will happen after 2010? It seems that the Government is too short-sighted. Let us look at the targets set by other large cities, the run-up to reaching such targets can be up to two or three decades. Secretary, as you may be aware — though this issue does not fall within the portfolio under your purview, Secretary Dr Sarah LIAO is, however, not present — the World Health Organization has issued a new Air Quality Objective recently, but our Government has been so backward, saying that the issue was under consideration and a decision had yet to be made. However, it should at least suggest a timetable. If it is not possible for the target to be met in one decade, then how about in two decades or even three? In any event, there must be a timetable. Therefore, with regard to this point, we as Members are very disappointed.

For instance, we mention the problem of global warming today, and asked if anything can be done by the two sides in respect of greenhouse gases emission. The ratio is always said to be 7:3 or 6:4, that is, the percentage of pollutants from the Mainland is sometimes 70%, but sometimes only 60%, which is subject to the time and wind direction, and this explains the ratio 7:3 and 6:4. For most of the time, we have been discussing with the Mainland on how our air quality can be improved. We noted that in the joint press conference held in July this year, Guangdong Governor HUANG Huahua and the Chief Executive said that a PRD Regional Air Quality Monitoring Network would be established, and the relevant figures would be released towards the end of last month. It is found that the Regional Air Quality Index of both places was in Grade III or above for

nearly 30% of the six months under study, which represents poor air quality. It can therefore be seen that the progress has not been satisfactory. Furthermore, despite that the Emissions Trading Scheme has been discussed for some time, but the public has yet to be informed of the relevant details and progress, and the transparency of the discussion has been extremely low. I hope that the Government will expeditiously draw up specific proposals with the Guangdong Provincial Government to set out the cap on greenhouse gases emission, and work out the credible emissions trading quota and penalties with deterrent effect.

Now, I wish to talk about an issue that falls within the portfolio of Secretary Stephen IP, and that is, tourism between the two places. This point is also mentioned in Mr Howard YOUNG's amendment. I note that the Secretary has recently discussed with the Beijing and Shanghai authorities on the launch of an "Honest and Quality Hong Kong Tour" promotion campaign. However, is advertising alone effective? Secretary, I told you last time that law enforcement was very important. No matter how attractive our facilities are, the prevalence of cases where tourists are cheated in Hong Kong will only end up killing a goose that lays golden eggs.

Therefore, I hope that the Secretary will take special note of the increasing workload of the Consumer Council with ever-increasing complaints but decreasing government funding. Secretary, you may also be aware that there is a need to increase salary, so it is hoped that particular attention will be paid to this point. In Hong Kong, the Consumer Council alone is responsible for this kind of work as it is relatively independent. It is hoped that the Secretary will consider beefing it up with enforcement power so that it can become a tiger with bite, with a view to helping the Government to enable Hong Kong to truly live up to its reputation as a "shopper's paradise".

Thank you, President.

**DR KWOK KA-KI** (in Cantonese): Madam President, the original motion proposed by Mr WONG Ting-kwong is actually very meaningful. The National 11th FYP has aroused plenty of discussions in Hong Kong recently. Chief Executive Donald TSANG's remarks following the meeting on the National 11th FYP, in particular, can reflect how he looks at and interprets positive non-intervention. Regarding this motion, all the requests for additional resources or new measures including the setting up of a R&D centre, technology

fund, and so on, whether made by Mr WONG Ting-kwong or other Members, will lead us onto a path departing from positive non-intervention. "Positive non-intervention" is a very peculiar term. It sounds like a totem of some kind, and people will invariably voice different criticisms and viewpoints whether they are for or against it.

However, is there anything known as a permanent policy of positive non-intervention in this world? I believe not. Even in some highly capitalistic countries, such as the United States, the government will still provide various tax concessions worth more than a hundred billion US dollars every year in order to help people invest in high-tech industries, such as telecommunications, information technology and even pharmaceuticals. This shows that even in capitalistic societies or economies, governments must still be involved to a certain degree, playing a leadership and pioneering role. I believe that the SAR Government should also follow this direction in the future.

However, the relationship between the PPRD and Hong Kong is quite special. In the past, Hong Kong was definitely the locomotive of the region. But nowadays, as the Mainland, especially the PPRD, continues to develop, our leading role is gradually declining. Earlier this week, a study report on Hong Kong's shipping industry was published. I can remember one important point in this report — it seems or it is feared that Hong Kong's shipping industry will face many tall challenges in the future and its position may even be affected. Interestingly, however, Government Economist, Mr KWOK Kwok-chuen, simply denied this when replying to questions, assuring us that there was no cause of concern. Sometimes, I do think that it is not quite so alright to think either way. We certainly must not underestimate Hong Kong's role, but self-satisfaction will not do any good to Hong Kong either.

Therefore, when discussing Hong Kong's co-operation with the PPRD, we must bear this point in mind. One fact we cannot change is that the development of mainland economies (especially that of the PPRD) has by now caught up with or even surpassed that of the Hong Kong economy. All important industrial cities in the Pearl River Delta (PRD), such as Dongguan or even the neighbouring Zhuhai and Shenzhen, do not compare any less favourably with Hong Kong in terms of scale of development, economic capacity and economic potentials. But why can Hong Kong still enjoy a comparative advantage in its role? I think the most important reason is that Hong Kong is still a major gateway to the outside world. Our pool of management talents,

legal system and supervisory regime are sound. Therefore, if we look at point (a) of Mr WONG's motion, that is, the point on offering incentives to attract mainland enterprises to set up regional headquarters in Hong Kong, we will see that they are already doing precisely this. Members can observe that Hong Kong is being used by many mainland enterprises as an important listing channel. The four leading commercial banks on the Mainland and many private enterprises have in fact been using the Stock Exchange of Hong Kong as a springboard for tapping capitals in the world market. There is actually no need for us to take this into our hands.

Then, there is point (b) of the motion. Can we really develop a set of standardized commercial terms? I think it will be very difficult. Hong Kong is a completely open economy, and the protection provided by our legal system and also our economic conditions all differ greatly from those in the Mainland. We have the conditions necessary for developing a set of commercial terms that are comparatively transparent and open. In contrast, the Mainland will find it very difficult to do so. But it is perhaps because of this that there is still a role for us to play.

As for the point on transport facilities, I am in strong agreement, and I especially support the construction of the Hong Kong-Zhuhai-Macao Bridge, because only such a bridge can ensure that Hong Kong can continue to be served by a sound network of transport facilities that gives it an advantage over other places in the PPRD, especially Zhuhai, Shenzhen and beyond. With this bridge, Hong Kong's shipping industry, especially its container terminals, will continue to enjoy an advantage. I think that any continued delay of the Hong Kong-Zhuhai-Macao Bridge project will have severe impact on the future development of Hong Kong's logistics industry.

In regard to the setting up of a R&D fund and also a restructuring fund, I think our future development must not be confined to the Greater PRD. In case any new technology funds or R&D centres are really set up, we may have to cast our eyes on all provinces and municipalities in China. The reason is that if such funds and R&D centres are confined to Hong Kong's co-operation with the PPRD Region, we may fail to cope. As a matter of fact, Members are also aware that the PRD aside, the Yangtze River Delta and even Northwestern China are also full of economic development potentials. We must not forget them, nor should we put up any delay in seizing the opportunities of co-operation with any provinces or municipalities in the Mainland. I believe that if we focus only on

the Greater PRD, we will lose many business opportunities. However, I nonetheless think that the original motion and all the amendments are still acceptable and worthy of support.

Finally, I wish to say a few words on the development of Hong Kong's health care services in the PRD. Frankly speaking, ever since this issue was first brought up in the CEPA discussions, all has just been mere talks. Even today, the mainland health care services sector still sets a very high threshold for the health care sector or medical doctors of Hong Kong. Or, it can even be said that what is being adopted is simply a policy of no integration. We have recently visited Guangdong to hold discussions with officials of the Guangdong Provincial Department of Health. Honestly speaking, the State has not yet put in place any policy that welcomes Hong Kong medical doctors to practise in the Mainland. And, the \$20 million threshold is not the only threshold because, in practice, not even one Hong Kong medical doctor can practise independently in the Mainland. But I do not think that it is at all easy to resolve this problem. I can only hope that the SAR Government can continue its discussions with the relevant mainland authorities.

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

**MS MIRIAM LAU** (in Cantonese): Madam President, Hong Kong's logistics industry has all along maintained brilliant records. For this reason, the container terminals and airport of Hong Kong have remained the busiest in the world for many years in a row. The logistics industry is also a pillar of our economy which creates large numbers of jobs. However, owing to the rapid development of the ports in the PRD Region in recent years, many people have started to express concern about whether or not Hong Kong can maintain its established edge. Such concern even focuses more on our competition with PRD ports than on ways of enhancing our co-operation with them.

As reported by the press a couple of days ago, Shenzhen now plans to establish the Mainland's fourth bonded area in Yantian Port. Similar to a free trade zone, the bonded area will absorb 15% of the containers handled by Hong Kong container terminals, or roughly 4.5 million TEUs. Besides, the Greater Pearl River Delta Business Council has also published a report, in which it is

pointed out that the port and logistics facilities of Hong Kong will fail to adapt to and satisfy the needs arising from the development of heavy and petrochemical industries in Guangdong. What is more, as traditional light industries shift from the PRD to places farther away, their reliance on the port and airport of Hong Kong will gradually diminish. For these reasons, the sectors concerned generally estimate that in two or three years, Guangdong will replace Hong Kong as the transportation hub in South China.

Although this report has practically sounded the alarm for Hong Kong's logistics industry, the Liberal Party nonetheless thinks that while considering how we should tackle competition, we should not ignore the possibility of our co-operation with the PPRD Region. Studies may be conducted in conjunction with the PPRD on how to work out a division of roles in developing the logistics industries of the two places.

As pointed out in the report, although there is an increasing shift of development projects from the eastern part of the PRD to its western part, Hong Kong may still strengthen its position as the southern gate of China in the long run if it can make appropriate preparations ahead of others. The future development of this "Western Front" will focus on the services industries, port-side industries relying on port transportation, logistics industry and port trade based on transshipment. As a result, with all its advantages in the services, financial, logistics and tourism industries, Hong Kong will naturally be able to tide in with the development strategy of western Guangdong.

Therefore, the Liberal Party strongly supports the National 11th FYP announced by the State in March this year, which, apart from including Hong Kong in the overall framework of national development for the first time, also makes it very clear that Hong Kong must continue to develop its logistics industry and maintain its status as a shipping centre. But while Hong Kong must enhance its existing advantages, it must also identify new areas of development.

When it comes to entrenching its existing advantages, the prime task is to shorten the distance between Hong Kong and cities in the western part of the PRD for the purpose of facilitating the flows of people and goods. For this reason, we must strive to materialize the construction of the Hong Kong-Zhuhai-Macao Bridge as soon as possible. The completion of the Hong

Kong-Zhuhai-Macao Bridge will also help us tide in with the urban planning of Guangdong. The V-shaped line of development running from Guangzhou to Shenzhen on the one hand and from Guangzhou to Zhuhai on the other can then be turned into a triangular transportation network.

In order to enhance the "funnel effect" of the mountainous flanks of Guangdong and even the PPRD on Hong Kong, thereby increasing the sources of cargoes for our port, we should seek to lower the costs of cross-boundary freight transport. One possibility is to put in place an arrangement similar to that of "one single licence for access to all nine provinces". One of the common problems encountered by the logistics industry in the Mainland is that different kinds of licences are required by individual provinces and municipalities. I very much hope that the SAR Government can follow up this problem and step up its negotiations with the mainland authorities.

Furthermore, Hong Kong must also enhance its co-operation with the Mainland in respect of boundary crossings. For example, the SAR Government should complete the studies on constructing a boundary crossing at Liantang as early as possible. And, it should also conduct negotiations with Shenzhen on how to implement the arrangement enabling cross-boundary vehicles to travel straight to such places as eastern and northern Guangdong, Fujian and Jiangxi. We must also discuss with the Mainland and identify the boundary crossings that require additional manpower and night-time operation, so as to truly implement 24-hour clearance.

The Government has introduced multiple entry permits for river trade vessels. The Liberal Party maintains that the direction of this policy is correct. The reason is that following the introduction of multiple entry permits, a river trade vessel entering Hong Kong 10 times will only have to pay a fee on five occasions. It is expected that the attraction of lower costs will lead to a considerable increase in the number of river trade vessels coming to Hong Kong, which is conducive to the development of Hong Kong's logistics industry. However, the treatment received by Hong Kong-registered vessels going north to the Mainland is very different. For example, the Shenzhen Bureau of Waterways has recently imposed a waterways maintenance fee on Hong Kong-registered barges, thus increasing their operating costs. The Liberal Party very much hopes that the Government can negotiate with the relevant mainland departments on the adoption of mutually beneficial measures that can lower the operating costs of vessels of both sides.

As for new areas of development, we maintain that Hong Kong should strive to develop value-added logistics services and offer incentives to induce more multinational companies to set up their distribution or procurement centres in Hong Kong, or to induce more companies to carry out their final production process in Hong Kong, so as to increase our import and export volumes.

What is more, since industries in the eastern PRD is set to undergo a process of gradual restructuring and the new emphasis will be the development of high-tech industries and the upgrading of processing industries, certain industries in Hong Kong must also restructure accordingly if Hong Kong wants to cope with the changes by providing various value-added services. For this reason, the Government must provide timely assistance to the industries concerned in restructuring. If not, these industries will simply die out, plunging more people into unemployment.

We believe that as long as Hong Kong can enhance its co-operation and co-ordination with the PPRD Region and provide hardware and software support, then Hong Kong will certainly achieve huge progress. Not only this, the advantage enjoyed by the Hong Kong logistics industry will also enable the PPRD to reach out to the world, thus creating an all-win situation.

Madam President, I so submit.

**DR FERNANDO CHEUNG** (in Cantonese): The motion proposed by Mr WONG Ting-kwong on Hong Kong-PPRD regional co-operation involves more than economic issues. As a matter of fact, even the National 11th FYP does not involve economic issues only. It also touches upon various social problems, people's livelihood and the wealth gap. And, the building of a harmonious society is a rather significant focus.

However, our discussions today seem to have focused only on economic co-operation. Most remarks are on commercial and economic development, and very few Members have mentioned all the social consequences and livelihood problems resulting from co-operation in the PRD. Actually, cross-boundary living and activities have become extremely common these days. We may look at the following figures. Currently, some 290 000 Hong Kong residents are living in the Mainland on a long term. Roughly 70% of these people, or some 200 000, are adults. And, those aged 60 or above, mostly males, also constitute almost 25%. Half of the Hong Kong residents living on a

long term in the Mainland claim that they stay in the Mainland mainly because of their jobs. Besides, about 20 000 people are staying there to live their retired life or spend their old age. Ten thousand people said that they have already formed families in the Mainland. All this shows that people of the two sides have become very close in living ties.

The Hong Kong Council of Social Service has recently conducted a survey on people's visions of Hong Kong. One of the questions asked is about what we would like to see in Hong Kong after five years, in 2012. Some of the visions expressed are about the cross-boundary developments in people's living. As a matter of fact, we can now see many cross-boundary developments in people's living — many people now work in the Mainland, get married and establish their families there. They also raise their children or do business in the Mainland. And, many people go to the Mainland for sightseeing or simply spend their retired life there. Many Hong Kong residents often encounter difficulties in all of these endeavours, but their need for assistance is in most cases neglected by this economy-oriented Government.

First, I wish to take a look at the current situation of cross-boundary employment. There has actually been a huge increase in cross-boundary employment. As I have mentioned, almost 300 000 Hong Kong residents are living long term in the Mainland, but apart from this, the number of people having to work in the Mainland also increased from some 120 000 in 1995 to 237 500 in 2005. More than half of these people must go to the Mainland for work more than 40 times a year. And, even if we look at the median number of trips to the Mainland, we will still see an increase from 26 trips in 2002 to 36 trips in 2005. They must stay in the Mainland for an average of three days on each occasion.

Actually, it is very rare to come across any Hong Kong resident who does not even know at least one other Hong Kong resident who must travel to the Mainland for work. When these Hong Kong residents work in the Mainland, they will face public order problems. What is more, in case these people encounter any difficulties in looking after or supporting their families due to the physical separation caused by their work, it will be very difficult to give them any assistance.

Currently, some 30 000 parents must travel to the Mainland for work. These parents may thus be distanced from their children and spouses. They

may find it difficult to look after their elderly family members or other family members in need. They may also encounter difficulties in bringing up their children. If any problems occur, child or spouse abuse may even result. These problems may arise quite easily due to the need for cross-boundary employment.

In addition, there has also been a great increase in the number of cross-boundary marriages. In 2005, while many Hong Kong men married mainland women, the number of Hong Kong women married to mainland men also soared, recording an increase of more than 100% when compared with the figure for 2002. At present, there are more than 5 000 such women a year. The corresponding figure for men is of course even higher.

On the other hand, however, we can also observe the consequences of cross-boundary marriages. In some cases, the resultant physical separation, as I have mentioned, may lead to divorces. Even if we look only at the relevant statistics of the Mainland, we can still observe from all the divorces recorded in Guangdong in 2005 that there was an increase of more than 100% in the number of divorces involving foreign marriages. In Hong Kong, close to 17% of all single-parent CSSA recipients in 2005 were "bogus single" parents physically separated from their mainland spouses. We can also notice that many elderly people have chosen to live in the Mainland. At present, more than 70 000 Hong Kong residents aged 60 or above are living in the Mainland. Many youngsters also travel regularly between the Mainland and Hong Kong. They may be students crossing the boundary for schooling or those who want to abuse drugs in the Mainland. All these are serious problems.

Owing to the statistics and phenomena mentioned by me, I hope that when studying the issue of cross-boundary co-operation, the Government can also consider various ways of enhancing the assistance for Hong Kong residents in the Mainland, strengthen the functions of its offices there and review the existing population policy, instead of concentrating solely on the economic aspect of the issue.

Thank you, President.

**MR ANDREW LEUNG** (in Cantonese): President, it is an incontestable fact that Hong Kong faces various challenges. Cities in the PRD have been catching

up fast with Hong Kong. It should be noted in particular that they have surpassed us a great deal in developing the logistics infrastructure. The GDP growth rates of Guangdong Province in the past two years stood at 12% and 17% respectively. Under the National 11th FYP, there will also be rapid development of various industries, shipping and air transport. With Shanghai taking the lead, the financial services and various businesses in the Yangtze River Delta have directly affected the status of Hong Kong as the financial centre of the region. What is more, Singapore has already decided to lower its present tax rate of 20%, and in the areas of tourism and the convention and exhibition industry, Macao has also posed very great challenges to Hong Kong over the past few years. These challenges are all foreseeable, but we have not made any major planning over the past few years.

Nowadays, our society is still caught up in meaningless disputes and there are no discussions that display any vision. In the coming few years, when we face the development of our neighbouring cities, we will be totally unable to cope with the challenges. When responding to the policy address last month, I remarked that if Hong Kong was to develop on a sustainable basis, it must tie in with the development of the Mainland, particularly the PPRD. It must closely follow their paces and directions of development and strengthen its ties with them, so as to ensure the steady growth of our own economy and identify new opportunities for our industries and businesses in the Mainland. The commercial and industrial sectors believe that stronger and closer ties with the PPRD will help increase the total economic capacity of all cities in the region. Last week, the Financial Secretary also mentioned that the Mainland would provide the main impetus for Hong Kong's economic growth next year.

For quite some time, Hong Kong has managed to grasp the opportunities brought about its increasing integration with the Mainland under CEPA and the Pan-Pearl River Delta Regional Co-operation Framework Agreement. During his visit to France, the Chief Executive even emphasized that Hong Kong was a city playing a dual role, saying that it must co-operate with cities in the PRD and serve as a revolving door for China to reach out to the world and for the latter to enter the former. The population of the PPRD is one third of the country's total population, amounting to 470 million. This is roughly the size of the European Union's combined population, so there are huge development potentials. There will be profound changes in the economic structure of the PPRD. We should thus capitalize on the advantages enjoyed by our financial industries and serve as the springboard to the world market for enterprises in the region.

The commercial and industrial sectors have always stressed that the sole reliance on private-sector efforts cannot possibly foster regional co-operation. The Government must make a complementary effort in terms of policy. It must even negotiate with other regional governments on behalf of the commercial and industrial sectors and the various professions, so as to expand the room for co-operation. That way, economic co-ordination for the two sides can be achieved and they will also be able to complement one another. The Government can actually do quite a number of things to enhance the assistance available to Hong Kong businesses in the region. To begin with, Shenzhen and Hong Kong may strengthen their co-operation in innovation and technology. Through the establishment of the "Shenzhen-Hong Kong Innovation Circle", the government departments, institutions of higher education, industries, research organizations and technological research experts can all be pooled together. With such a mechanism, relevant measures can be formulated to enhance co-operation in domains of technology and joint development of high technologies. I hope that apart from active involvement and complementary efforts, the Government can also explain to the industries and the Legislative Council the detailed situation, with a view to taking on board views from all sides.

Regarding the request for increased government expenditure on R&D for the purpose of establishing an applied science and technology fund for the PPRD to tie in with the future development of the PPRD and Hong Kong, I subscribe to such need. But the industrial sector has always pointed out that we must encourage enterprises to engage in industrial upgrading. Enterprises must be encouraged to adopt innovative concepts and high technologies, so that they can upgrade their mode of operation from Original Equipment Manufacturing (OEM) to Original Design Manufacturing (ODM) or even Original Brand Manufacturing (OBM), that is, the development of their own brand names, thereby enhancing their long-term competitiveness in terms of intellectual property rights and independence. Earlier this year, the Government established five R&D centres on a number of fields such as automotive parts and accessory systems and textile and clothing. This is a very desirable direction, one which can assist the sectors concerned in upgrading their technologies, promoting their technology transfer and R&D and commercializing their products, thus adding to their values.

However, we should not always expect the Government to take the lead in R&D. The active participation and input of the sectors concerned are also

required for encouraging enterprises to enhance their innovative research and develop their own impetus. For this reason, since 2001, the Federation of Hong Kong Industries has been requesting the Government to triple the tax deduction for the design and research expenditure of enterprises. I have put forward this request to the Government over and over again in the Legislative Council. I believe that this measure will not only encourage local enterprises to invest in technological research but also induce international technological research companies to come to Hong Kong to make investments.

While paying attention to the manufacturing industries, we must not neglect the mainland market. As I have mentioned, the population size of the PPRD Region is roughly the same as that of the European Union, so the region itself is a market with huge potentials. Hong Kong industries have always hoped to open up this market. Now that we have developed many Hong Kong-designed products or even our own brand names, I am convinced that if we can conduct promotion in the PPRD Region to let more people know of our products, the sale of Hong Kong brand name products in the Mainland will certainly be boosted. Last month, I proposed that the authorities should make good use of the opportunity offered by the 10th anniversary of the reunification. I proposed that the Trade Development Council should be vested with the responsibility of co-ordinating the efforts of various chambers of commerce in their brand-name promotion all over the world. Once we can identify one or more PPRD cities for market promotion, we will help our own products open up the market.

President, the logistics industry and manufacturing industries are interdependent. Ms Miriam LAU has already described in detail the logistics development in the region, but I still wish to raise a few points here. At present, nearly all the goods handled by Hong Kong's freight transport industry come from the PRD. The international airport at Huadu, Guangzhou, which formally commenced operation in August this year, really poses a great threat to Hong Kong's logistics industry. The freight capacity of the Huadu airport is enormous, five or six times the capacity of the Hong Kong airport. Most importantly, when the railway in western Guangdong is connected to Singapore, Malaysia and Thailand in the future, Zhuhai will become the terminus, and the coastal railway from Shanghai will terminate in Shenzhen. Besides, Haudu will also become the terminus for some freight rail lines. All this will substantially intercept the sources of cargoes for our air and sea transport industries. At present, the freight transport industry of Hong Kong still enjoys an edge in some

measure, but our logistics infrastructure development has lagged greatly behind Guangdong. In order to ensure that we will not lag behind others in this logistics competition, we must (*the buzzer sounded*) .....

**MR BERNARD CHAN:** Madam President, this motion includes a very wide range of suggestions. The amendments add even more ideas to it.

I do not know if it is possible for anyone to support all of these proposals. Many people would not like the idea of giving taxpayers' money to local businesses to upgrade. The idea of putting public money into funds for R&D would be controversial. And so would the idea of giving special incentives to mainland companies to invest here.

However, I think everyone agrees that the development of the Pearl River Delta (PRD) in the last 25 years has been of historic importance to Hong Kong. And that development is still, in many ways, in its early stage.

Co-operation between Hong Kong and the PRD is extremely important. This is essentially a public-sector matter. We must continue to enhance co-ordination between local governments in the region.

Our officials have already done a lot of valuable work in this area, and we are seeing the results in areas like transport infrastructure and cross-border red tape.

We need to do more, especially in areas like the environment and probably in social issues. More and more people and families in the future will treat the PRD as a single region for living and working in.

However, we must not ask for co-operation if it is not realistic. Businesses are in competition with each other. In some cases, different towns and cities may be in competition with each other. We must not ask for "co-operation" if we really mean "protection from competition". Nor can we expect favours and privileges.

The PRD Region is going to move up the value ladder. We have to accept that some of our lower-value activities will migrate across the border. We should not try to delay that.

Judging by their past success, our investors will identify new opportunities in the PRD. The whole of the PRD will benefit if they are able to do that in an open and good-quality business environment.

And that, Madam President, would be the best possible outcome from continued co-operation between us and the PRD. Thank you.

**MR JEFFREY LAM** (in Cantonese): Madam President, no one would raise any objection to the saying that to China, Hong Kong is a unique and irreplaceable city. Now that the National 11th FYP has affirmed Hong Kong's position as a financial, trading and shipping centre of the world, we should make even more efforts to tie in with the plan, including co-operating with the PPRD Region to build a prosperous economic centre.

To begin with, I wish to say a few words on the financial industry. Currently, there is still much room for development in respect of the RMB business Hong Kong can deal with, including deposits, exchange, remittance and RMB bank cards. Many enterprises with investment projects on the Mainland would like to do the financing in RMB, and there is also the issue of how to enable mainland capitals to "go global". It is believed that all this can greatly promote the trade and commercial prospects of Hong Kong and induce mainland enterprises to come to Hong Kong for development. Therefore, I think the Hong Kong Government should set up an ad hoc group to fully explore how best Hong Kong can capitalize on its position as an international financial centre to promote financial reforms in the Mainland and further expand the scope of RMB business, so as to work out a scheme beneficial to both places.

The financial industry aside, the logistics industry is also one of the four pillars of the Hong Kong economy. The logistics industry of the Mainland has been developing rapidly, and it is expected that by 2010, seven logistics parks will be completed in Shenzhen alone. In contrast, Hong Kong's studies on constructing a logistics park on Lantau will not be completed until the end of this year. What is more, the dates of works commencement and inauguration are not yet even known. I hope that the authorities will not forget the story about the tortoise and the hare. It must make strenuous efforts to catch up with others by simplifying the formalities of freight transport into Hong Kong. That way, others can be induced to send their cargoes to Hong Kong for transshipment, thus enabling it to develop into a logistics distribution centre.

Madam President, in order to attract investors, we must improve our air quality. Apart from touching upon the exploitation of resources, the National 11th FYP also mentions the need for improving environmental surveillance. I have repeatedly pointed out that some foreign investors have considered switching their investments from Hong Kong to other places due to the serious air pollution in Hong Kong and Guangdong. Since the Hong Kong Government has the determination of restoring the "Blue Sky" and Guangdong also has the grand vision of building a "Green Guangdong", I very much hope that both places can make stronger co-operative efforts to ease the problem of pollution, including the early implementation of the pilot emissions trading scheme, the adoption of natural gases for power generation and the use of vehicles meeting higher emissions standards and using clean fuels.

The commercial and industrial sectors have made very positive efforts to support the cause. Many production plants run by Hong Kong businesses in the Mainland have already installed machinery that meets environmental requirements despite their business difficulties, so as to contribute to the amelioration of pollution. I hope the Hong Kong Government can offer them more support and ease their burdens through various SME funds.

Besides improving the environment to attract investors, we must also provide infrastructure support. After two to three decades of development, neighbouring Shenzhen and Dongguan have both started to experience a shortage of land and labour, with the result that the land prices and wages there have both been rising, leading to increases in operating costs year after year. Many Hong Kong manufacturers have thus started to relocate their plants to northern Guangdong and the eastern and western flanks of the province. Needs for new roads and boundary crossings have thus arisen. And, not only this, these facilities must also be constructed expeditiously. During the period covered by the National 11th FYP, Guangdong will spend RMB 432 billion yuan on 62 major integrated transport projects. I very much hope that the long-awaited Hong Kong-Macao-Zhuhai Bridge, the Guangzhou-Shenzhen-Hong Kong Express Rail Line, the Liantang/Xiang Yuan Wei crossing can all be finalized as early as possible to enhance the efficiency of cross-boundary transport.

When it comes to co-operation between the two places, co-ordination and communication are extremely important. The introduction of any new conditions and systems must take account of Hong Kong businessmen's difficulties. For example, the Notice about Adjustment on Tax Refund Rate

toward Selected Exported Goods as well as Additions to the Category of Prohibited Processing-trade Products promulgated in early September will produce very great impacts on Hong Kong manufacturers. The Hong Kong General Chamber of Commerce and I immediately approached the Commerce, Industry and Technology Bureau and the relevant departments of the Mainland. The four chambers of commerce also wrote to the relevant mainland units to express their views, stating that the new requirements will force some manufacturers to stop production immediately and also lead to soaring costs. Thanks to the multi-pronged efforts of the commercial and industrial sectors, the mainland authorities eventually made some new arrangements last week to solve the temporary problems faced by Hong Kong businesses.

The new environmental laws promulgated by the Mainland earlier on also came as a complete surprise to Hong Kong businesses. It is inevitable that their operational arrangements will be affected. I therefore hope that the Hong Kong Government can serve as a bridge, listen more to the views of Hong Kong businessmen and relay their opinions to the mainland departments concerned. Whenever the Mainland wants to introduce any policies, early notices should be given, so that Hong Kong businessmen with investments in the Mainland can have more time to make preparations and ensure smoother operation.

Madam President, I so submit.

**MISS CHOY SO-YUK** (in Cantonese): President, in view of the wide spectrum of co-operation between Hong Kong and the PPRD, I would like to focus on co-operation in cross-boundary environmental protection.

To protect and improve our environment has become the aspiration of all Hong Kong people. It is also a prerequisite for Hong Kong to maintain its status as a cosmopolitan city in Asia. To strengthen environmental protection can enhance Hong Kong's competitiveness in the international community on the one hand and bring about new business opportunities and new jobs on the other. The higher environmental requirements in the Mainland will pose a challenge to many enterprises in Hong Kong. However, it will also bring them a lot of business opportunities. So, Hong Kong should seize the opportunity and contemplate how a better job in local and cross-boundary environmental protection can be done. On this issue, apart from relying on the efforts of

enterprises to achieve fruitful results in some areas and full co-operation between Guangdong and Hong Kong, the Governments of both places should remove obstacles and join hands to resolve some barriers in policies so that enterprises can complement each other's advantages.

One of the examples is co-operation in refuse recovery and recycling, which I have mentioned time and again in recent years. A lot of separated refuse has actually been imported into the Mainland from abroad. Hong Kong has also been shipping waste to the Mainland through different channels. Despite the lack of recycling industries in Hong Kong, a close partnership can still be forged between the two places. Some low-investment or labour-intensive industries, such as recycling of glass, plastic and paper, have been developing quite well in the PRD. However, because of the limitations imposed by the Basel Convention, there is simply no way for us to recycle such wastes here in Hong Kong. Neither can we ship them to the Mainland in an official manner. Actually, the two places can discuss ways to adapt to the circumstances flexibly within the constraint of the Basel Convention. So long as there are ways to prevent abuse of this policy, I believe that the free movement of separated waste which is subject to strict monitoring and inspection between the two places should be possible under "one country, two systems". In that event, Hong Kong will be able to develop certain high-tech recycling industries, such as recycling of plastic bottles and waste oil. This is what Hong Kong is capable of doing. Meanwhile, some other recycling activities can be carried out on the Mainland.

Both Hong Kong and the PPRD are places in the same country. We belong to the same race. The same blood flows in our veins and we speak the same language. However, the geographic differences have led to some problems, one of which is the difference in environmental protection standards and regulations between the two places. The absence of a set of mutually recognized green standards and regulations has created obstacles in the development, manufacturing and promotion of green products in Hong Kong and the PPRD, thus hindering the development of environmental protection industries.

Another specific problem is the standardization and regularization of environmental impact assessment (EIA) of the two places. As we all know, infrastructural co-operation between Guangdong and Hong Kong has been increasing and the impact of infrastructure on the environment will be profound.

Unfortunately, since the standards adopted by the two places are designed in the light of their own environmental problems, peculiar rules and regulations have been adopted. So, we urge the SAR Government to engage in active dialogue with the mainland authorities in order to put the generalization and standardization of regulations on the agenda of discussion, including the work of EIA.

At the Economic Summit on "China's 11th Five-Year Plan and the Development of Hong Kong" held in September 2006, the Chief Executive emphasized the positioning of Hong Kong as an international financial and service centre. We think such a positioning is accurate because we hold an edge in these areas. It will also be most difficult for our neighbouring regions to take over our position in these industries. In order to consolidate our existing edge, the SAR Government should attach great importance to the problem of air quality which has been a concern to foreign investors. To more effectively monitor the effectiveness of emission reduction, the PRD Regional Air Quality Index (RAQI) has been published since last year by Guangdong and Hong Kong. This is obviously a right direction, showing that the Governments of both places have attached importance to environmental protection and have a strong desire for co-operation. However, the RAQI is calculated on basis of class 2 of the National Air Quality Standards, which is different from the method used by Hong Kong in calculating the Air Pollution Index. As a result, two sets of standards are applied, causing confusion to the public, and people are baffled by the emission standards and monitoring systems in the two places. Therefore, in the long term, Guangdong and Hong Kong should look into ways to unify the two sets of index.

Besides, under the 11th FYP, to build an energy-saving society is the most urgent task. It is because the traditional GDP measures only the economic growth, without reflecting the waste and damage on the environment and resources in pursuit of economic growth. To make up for the inadequacies in this aspect, the State Environmental Protection Agency announced 10 testing points for green GDP last year. Among these provinces, Guangdong has taken the lead to embrace this development idea.

In response, the DAB opines that Hong Kong, as a cosmopolitan city in Asia, should catch up with such a development and expeditiously consider how best the green GDP auditing system can be implemented. It should make reference to the pilot mechanism in Guangdong Province so that we can reconcile

the data of the two places in future and the estimation, after discounting the costs in environmental resources and the costs in protection, can serve as an important index to reflect the sustainable development situation of the region.

President, I so submit.

**MR LEUNG KWOK-HUNG** (in Cantonese): Today, there are students on the public gallery observing this meeting of the Legislative Council. I hope they will not get a wrong impression of the pollution problem, for a number of Members have stated that as pollution in Hong Kong gets worse, businessmen will no longer come here for business, large corporations will not establish their headquarters here in Hong Kong, and overseas senior employees will not like living in Hong Kong. These are certainly the facts of the case. However, this is not the true meaning of environmental protection, is it? Do we maintain good air quality just because we have to maintain our business? This is definitely wrong. But this is what the Americans are doing; they just dump their unwanted stuff at others' places, for business is their only concern.

Therefore, in fact, when we talk about environmental protection, we must understand one point, that is, the ultimate aim of environmental protection is for the good of mankind. Economic development is also for the good of mankind. We should not, as some people said, develop our economy for the sake of economic development. We know that when the economy is in the doldrums, resources of society will be wasted or the wealth we can share will dwindle.

In any discussion about the PPRD, the first question we encounter is: Who draws up the 11th FYP? Are we involved? The Hong Kong Deputies to the National People's Congress (NPC) and delegates of the Chinese People's Political Consultative Conference (CPPCC) may have taken part in monitoring the 11th FYP on our behalf. Have Members ever heard our CPPCC delegates and NPC Deputies tell us what they have said? Have we ever been consulted? No.

So, when we consider the 11th FYP, we must ask one question: Who will benefit from the FYP and who will be at a disadvantage?

In my opinion, the status of Hong Kong as a financial centre will undeniably be further consolidated. We need not urge the Government to assist

companies from the Mainland in coming to Hong Kong, for three of the four banks on the Mainland have already been listed in Hong Kong, while the remaining one is waiting to be listed. Why do these companies come here? They come to make money, privatizing state assets by listing them on the market. This is the crux of the problem. On weekdays, I often run into people with a Shanghainese accent who are doing their shopping, it is inevitable — as I work in Central, they are the prettiest among all the others — they dress in the prettiest clothes and they eat the best food. We are "Hong Kong bumpkin". Buddy, why do they have so much money suddenly? It is just because someone has pocketed the money in the course of the privatization of state assets. What we have done in Hong Kong has in a way facilitated this process, and this is a point worth consideration. Is this in the best interest of Chinese? State assets are drained and become the property of individuals; speculations do multiply, but where have all the money gone?

We all think that the PPRD is very important and integration with it is necessary. Actually, the Yangtze River Delta has long since been introduced, but why can the Yangtze River Delta be so successful? For the Government has done poorly for Hong Kong in the PRD. Most people making a fortune in Hong Kong have gone to the Yangtze River Delta, Shanghai in particular, to seek their fortune. We see a lot of high-rises there, but who build these high-rises? Let me tell you all, a piece of land has been earmarked for Mr TUNG and large-scale construction works are now in progress. He suffered from a leg pain when he stepped down from the office of Chief Executive, but he immediately got his business when he went to the Mainland.

The question is, when we talk about the mutual benefits generated by our co-operation with the PPRD, we have to consider whether this co-operation will enable the ordinary people of both places to lead a better life. This is very clear in the case of the Mainland. As in the case of the earmarking of land, CHEN Liangyu has been interrogated by the Central Authorities because ZHOU Zhengyi earmarked some land for development in Shanghai. They have their company listed and some of us also hold shares in their company. We may consider what they have done are correct for we think there is nothing wrong with making money. Let us now look at the swift recovery of the economy in Hong Kong, which is said to be attributed to the so-called recovery of the PRD, and is true in the case of the financial services, trading and shipping sectors. However, has the disparity between the rich and the poor in Hong Kong been widened? Has the living standard of the average citizens been improved?

Therefore, when we talk about the economy, no matter how it is presented, it is after all a problem of distribution of wealth. And when we talk about issues on wealth, production, and so on, it is after all a matter of distribution of wealth. It is not the scarcity of resources but the uneven distribution of it that is a cause of concern. As I view it, collusion between officials and businessmen prevails on the Mainland. Tremendous amounts of resources are used to create domestic demand aiming to promote economic growth. But, in the end, it has neither created more wealth for the ordinary masses of China nor has it made available more public resources for them. To me, this is most saddening.

This practice has also caused changes in Hong Kong society. Mainland officials who believe money talks teach the Chief Executive, the Executive Council and some other persons in Hong Kong what should be done. Therefore, today, we have to discuss what the 11th FYP is for and what we can do to tie in with the 11th FYP.

The second new phenomenon observed by us is that those wealthy people who come to Hong Kong will no longer curry favour with the rich in Hong Kong as they did in the past hoping those people would help them to make a fortune, for now it is they who help us people of Hong Kong to make a fortune. It is a process of transfer of wealth. We see collusion between officials and businessmen on the Mainland. When those people, who have made big money, making a fortune at the expense of their country, eventually set their feet in Hong Kong, they act riotously seizing every opportunity to make money together with the rich in Hong Kong. As a result, the problem of uneven distribution of wealth in Hong Kong and the Mainland is aggravated.

As a catch phrase on the Mainland goes: "Love my State. I love my State, for I love the property of my State. I love our people, for I love our people's currency — the Renminbi". I believe this catch phrase speaks volumes about the current integration of Hong Kong with the PPRD and the outcome of a process where there is no democracy. Thank you, President.

**MR CHIM PUI-CHUNG** (in Cantonese): Madam President, very soon, it will be the 10th anniversary of Hong Kong's reunification with the Motherland. The "Nine plus Two" framework is the first present the State gave Hong Kong, which offers a golden opportunity for Hong Kong and Macao to tie in with the development of the nine other provinces. Unfortunately, the SAR Government

which has all along been entangled in political issues has failed to make adequate efforts in this respect.

Recently, the Chief Executive, Mr Donald TSANG, went on a visit to Guangzhou where he said that he would not discuss other issues but environmental protection. This was greeted by reactions and echoes from certain members of the media in Hong Kong. As a result, the Guangdong Provincial Government called a halt to the polluting operations set up by Hong Kong people in the PRD in no time. People thus complained, for they considered that the policy should be implemented over a period of time and the present approach was impracticable. Guangdong Province responded that it was the people of Hong Kong who set up their industries in the PRD, but it was Guangdong Province being blamed as a source of the pollution in Hong Kong, so how could it be regarded as fair? I strongly believe that in the near future, the operations concerned will move further north to the northern part of Qingyuan, or even to the western part of China. They can lay the blame on no one by then, and should adapt to the change of times.

Madam President, as we conduct ourselves in this world, we must build up relationships with others, exploit them, team up with them, attack them and lobby them, and we may even have to know them and understand their temperaments. Only by doing so can we yield twice the result with half the effort; otherwise, we will be nothing but a loser. The other way round, others will deal with you and employ the same tactics mentioned by me just now. Be it in the context of politics or economy, Members should note this point correspondingly. I will now give my opinions on the several strengths of Hong Kong, so to speak, and the co-operative relationship between Hong Kong and the PPRD.

Madam President, in his earlier reply to a question on tourism, the Secretary said that Hong Kong might still be proud at present for the growth in tourism was not bad. However, we should, at the same time, understand fully that in the near future, Hong Kong will have to rely on Macao, our younger brother, to maintain its competitive edge in tourism, for we have to attract tourists heading for Macao to stop by at Hong Kong. In this connection, I hope the Government will be able to team up with Macao, the PRD, Guangzhou and other places, in developing Hong Kong into a premier tourist destination where people from all parts of the world longing to visit. The location of Hong Kong enables it to play a dominant role in transport, and as it occupies a dominant position, it should take the initiative to bring together other regions and facilitate

their co-operation. Though Macao may rank the first in future, Hong Kong will also benefit from its success as Hong Kong is a vital path to Macao. Hong Kong is also an essential path to other places in the PRD, so we have to do better. I strongly believe that even if our position in tourism will be taken over, tourism still has a role to play in Hong Kong.

With regard to logistics, many colleagues have mentioned earlier that there was in fact a breakdown in the flow of goods. Why? For all along, the handling charges for cargoes in Hong Kong are US\$200 to US\$300 higher than that of our counterparts. Competitors at Yantian port are also financed by Hong Kong investors but they are competing with us. In the end, our edge in being the world's number two will be lost, and very soon, we will rank the fourth, and then the fifth. We also see that Hong Kong's dominant position in shopping is seriously threatened by Macao. Under such circumstance, there is an overriding need for us to link up with other places in the PPRD, but not only those in the PRD. We should also work together with areas in the nine provinces for development.

Lastly, Madam President, I must talk about the financial services. Undeniably, upon China's accession to the World Trade Organization, the Central Government undertook to open up its financial markets to the world by means of more direct access. Under this circumstance, the Central Government has expanded the banks concerned and they are listed in Hong Kong. One of the banks has issued US\$20 billion worth of shares, the world's largest financing exercise launched by a single listed company. We should not be complacent about nor should we be proud of it, for it is only the Mainland and large overseas corporations and brokers stationed in Hong Kong that have reaped the benefits and capitals involved. The exercise has neither benefited nor borne any significant influence direct on local business. Though we all feel honoured about this, a responsible Government should make more efforts to understand the survival conditions of the local business, for this is after all a point of immediate importance.

No matter how, Madam President, Hong Kong is a blessed piece of land. All along, I agree with the Chief Executive that Hong Kong is now facing all kinds of challenges and going through the test of times. But what characteristics do Hong Kong people possess? They know how to ride the trends and will go anywhere to seize the opportunity of development, though they may be a bit trickery and opportunistic. However, just because the SAR Government has never subsidized any individual enterprises that Hong Kong

people managed to overcome the challenge of changing times, fostering development in different domains all over the world. Better development in these aspects in future is worth pursuing with a view to enhancing our co-operation with the PRD in future.

Thank you, Madam President.

**MS MARGARET NG** (in Cantonese): President, I speak in support of Mr Ronny TONG's amendment.

I very much agree with his views that Hong Kong's role should not be making quick money by taking advantage of the upswing of the national economy, nor should we request a slow down of the pace of development of the country to give us more time to make money. On the contrary, our attitude should be helping to reinforce the foundation of development of the country. In this way, Hong Kong can perform its function, while consolidating its status as an international financial centre, and we will be able to define our role in the overall development blueprint of China.

One of the definite roles we can assume is to act as a bridge between China and the rest of the world, particularly in view of the numerous standards and expectations the international community has set for a modernized society. We are in the most favourable position to do so, for we can on the one hand promote and explain these international requirements to the Mainland, and assist enterprises of all scales and at all levels of the Mainland to meet these requirements on the other. This is a traditional role played by Hong Kong. In future, we will continue to fulfil this role and bring our performance to a higher level with a view to promoting development beneficial to Hong Kong.

President, I will focus only on the role of the legal service sector. As the volume of economic activities on mainland China is increasing, the demand for legal services will also increase correspondingly. Moreover, other than criminal cases, a vast majority of the demand for legal services comes from social-economic activities. Therefore, we have to study the significance of the development of legal services, the legal structure or the legal system in Hong Kong to the continuous development of the PRD. President, what I am going to say is also related to other service sectors in varying degrees, but I will focus only on the legal sector.

President, in the legal sector, there is a highly respectable Senior Counsel — Mr Anthony NEOH, S.C. Recently, in June, in a speech he delivered to lawyers, he mentioned the career prospects and future of the education of the legal profession in Hong Kong. Certainly, Mr Anthony NEOH, S.C., has contributed to the development of the stock market in China. He mentioned that at present, a colossal amount of capital is invested in fixed assets in China. In this respect, I am a layman, but the Secretary certainly has a full grasp of the situation. Mr Anthony NEOH, S.C., pointed out that the most important requirement then followed was soft infrastructure, including demands coming from such aspects as legal services, regulation, management, marketing, and so on. Take cross-boundary co-operation projects as an example. These projects may involve banking, logistics and other services, as well as a host of external factors which have to be handled by legal services. Moreover, there is another requirement in the streamlining of legal documents, the legal framework for real estate, transaction procedures, and so on. Work in this respect will facilitate transactions on the one hand and provide better protection for transactions on the other.

The professionals in demand are in fact the professionals in the legal sector of Hong Kong, an area which we have to develop. I have just mentioned external factors, and many lawsuits in the Mainland now began to involve external factors. We can imagine that with increasing exchanges between the Mainland and businesses and other people in Hong Kong, and increasing transactions between the Mainland and the international community, lawsuits will emerge in varying degrees. How should these lawsuits involving external factors be handled? Last year, in a talk held in Beijing, we heard that Courts and Judges in the Mainland were gravely concerned about the issue. They questioned whether these lawsuits should be carried out in Hong Kong or the Mainland. Or should this be left to the parties to the lawsuits to choose, so that he or she may select a jurisdiction to his or her favour? And if it is later found that the jurisdiction chosen is not to the favour of the party concerned, should he or she be allowed to have his or her case processed all over again by the other jurisdiction? They were deeply perplexed about this and considered such an arrangement undesirable, for it might undermine the status and social prestige of the Courts of the two places. They thus considered these so-called legal conflicts should be examined thoroughly, so that the parties concerned would not waste money on the one hand and would be spared from facing the various uncertainties on the other.

We have thus asked the Secretary for Justice about this issue at a meeting of the Panel on Administration of Justice and Legal Services held this year. To solve the problem in this respect, we have to be geared in the same direction, addressing the problems arising from the disparity between the legal systems in Hong Kong and the Mainland, and much effort has to be made to solve these problems. We therefore asked the Secretary for Justice what could be done to take the lead in this respect. However, to my disappointment, despite the proposed amendment by Mr Ronny TONG, we do not see the Secretary for Justice in this Chamber today. We think that the Secretary for Justice should in fact undertake this role. We are not only talking about the demand of the legal sector to go north to seek business opportunities, we are saying that the legal profession in Hong Kong possesses the expertise in demand. We hope that this issue will be discussed more extensively in Hong Kong among officials, citizens and professional bodies here and officials and professional bodies on the Mainland, thereby identifying a suitable way out for China, including Hong Kong, as a whole. Only by doing so can we formally play a positive role for the entry to the world of China.

President, I so submit.

**DR RAYMOND HO:** Madam President, as it is more commonly called "Nine plus Two" under the Pan-Pearl River Delta (PPRD) Regional Co-operation Framework Agreement, the PPRD Region (the Region) covers nine provinces/regions and two Special Administrative Regions including Hong Kong and Macao. Being endowed with one fifth of the total area of the Motherland and one third of its population, the Region is one of the fastest growing regions in the world. Hong Kong, being an integral part of the Region, should take full advantage of the economic potential of the Region by enhancing the co-operation with our neighbouring regions.

The co-operation can be in a variety of areas, some of which have been included in the original motion as well as the subsequent proposed amendments. But I would like to focus my discussion on three areas, namely, cross-boundary transport infrastructure, logistics and professional services.

Priority must be given to the development of cross-boundary transport infrastructure if closer economic co-operation between Hong Kong and the Region is to move ahead. Our cross-boundary transport links and facilities with

the neighbouring regions have been lagging behind both the vehicular and passenger demands for too long. With the recent breakthrough in the arrangement of the co-location of Hong Kong and mainland checkpoints in the Shenzhen-Hong Kong Western Corridor (the Western Corridor) which will open to traffic next July, the same arrangement should be extended to other crossings wherever possible, particularly those still under planning.

It has been reported that the checkpoint arrangement is one of the stumbling blocks to the proposed Hong Kong-Zhuhai-Macao Bridge (the Bridge). I hope that the solution in the Western Corridor should open up the possibility of setting up a "one location-three inspections" facility on the Bridge. On the other hand, serious consideration should be given to the proposal on including a rail link on the Bridge. It will be a better alternative than a separate rail link to be built at a later stage. But a swift decision on the subject is necessary. Further delay in constructing the Bridge will be detrimental to the interests of all parties concerned including Hong Kong.

The construction of the Guangzhou-Shenzhen-Hong Kong Express Rail Link (the Express Rail) should be expedited too. The Guangzhou-Shenzhen section is already under way but the Hong Kong section is only in its preliminary planning stage. Instead of running on tracks of the existing West Rail as suggested by the Government of the Hong Kong Special Administrative Region (SAR), the Express Rail should have a separate route alignment so as to allow the trains to run at full speed in the Hong Kong section. It is basically wrong and makes no technical sense to connect an inter-city rail link to a local urban railway system. It will be a laughing stock for everybody. As for road link, the construction of the Eastern Crossing at Sha Tau Kok should not be delayed further.

Apart from strengthening its cross-boundary infrastructure, Hong Kong must improve its logistics facilities if it is to maintain its status as the logistics centre in the Region. The development of the Lantau Logistics Park should be given priority without delay as many cities in the Region are developing their own transport infrastructure and logistics industry. It would be in the best interest of both Hong Kong and the Region if there is a common and coherent strategy in developing the logistics services in the Region.

On the other hand, there is much room for co-operation between the PPRD and Hong Kong in the professional sectors. Given the increasing economic

interaction with the Region, professionals with specific qualifications or backgrounds will be increasingly in demand in the region. Undoubtedly, CEPA has provided a framework for mutual recognition of professional qualifications and other liberalization measures. But more efforts are still needed to smooth out the details in their implementation.

Madam President, we all agree that close co-operation between Hong Kong and the Region is necessary. The future of Hong Kong lies with the growth of the Region. The SAR Government must act to make us an active partner in the "Nine plus Two" Agreement.

With these remarks, Madam President, thank you.

**MR ABRAHAM SHEK:** Madam President, Hong Kong's co-operation with the Pan-Pearl River Delta (Pan-PRD) Region has become a significant strategy for Hong Kong to match up with the Mainland's development and broaden our economics hinterland. Research has shown that the "Nine plus Two" area is a huge budding market covering over 2 million sq km. The Pan-PRD Region includes about 460 million people, accounting for one third of China's entire population. The Pan-PRD Region also accounts for 34% of the National Gross Domestic Product and 40% of the national trade volume. All these figures show that the Pan-PRD Region is an enormous trade platform with great potentials and great opportunities for Hong Kong.

Right now, consensus has been fostered in the Pan-PRD Regional Co-operation and Development Forum which has brought forth the signing of the Pan-PRD Regional Co-operation Framework Agreement. As years pass, there has been great progress on a number of fronts through the Administration's dedication, the Central Government's support and the Guangdong Government's collaboration. Agreements were reached for the resolutions on significant issues, like the implementation of "co-location" at the Shenzhen Western Corridor, the adaptation of the single-Y design for the Hong Kong-Zhuhai-Macao Bridge, and the further development of CEPA.

Indeed, Pan-PRD co-operation involves a wide spectrum of sectors, including infrastructure, property, investment, commerce and trading, tourism, agriculture, labour service, education, science, culture, information, environmental protection and public health. These factors are all critical and

crucial to the future development between Hong Kong and the Pan-PRD Region. Such co-operation has brought us remarkable achievements, but not without a price, for we paid handsomely in the past and will do so in the future on issues such as environmental matters. These issues must be addressed for our future sustainability and survival.

I applaud Mr WONG for his motion which addresses problems which Hong Kong must deal with in nurturing Pan-PRD co-operation. On this issue, the DAB has held a public forum to raise awareness and advise the Administration accordingly. These constructive actions are welcomed and are favourable to Hong Kong's future development. We should consolidate opinions from different professions to facilitate greater Pan-PRD co-operation.

Madam President, here are some of my opinions on Pan-PRD co-operation.

I think the HKSAR Government should offer more incentives to attract more mainland investors to Hong Kong. We should utilize our mature market system, well-developed legal system, advanced infrastructure network and our international relationships. All these advantages will help us bring mainland enterprises to the international stage. Several stated-owned giants and prominent private enterprises have listed in Hong Kong and have achieved substantial results in recent years, but few have actually established headquarters here. At the same time, most of the mainland private firms have little understanding of Hong Kong's business environment. This lack of knowledge means that they will hesitate in moving here. The Administration should step up its promotion to attract these mainland companies. As proposed by Mr WONG, I think further studies should be conducted to offer the relevant incentives.

Under the principles of market economy and fair competition, Hong Kong treats all investors equally and fairly, irrespective of where they come from. However, I think incentives should be offered to our mainland investors, in particular, there should be a more flexible immigration policy. The fact is since they do not have a full grasp of Hong Kong's business environment, many mainland enterprises are very anxious about the potential obstructions they might face. The Administration should eliminate these worries through better promotion and educational measures communicating our strengths. I believe

with these measures, Hong Kong's business environment and our global reputation will then be able to attract more mainland investors, apart from the handful of mainland business giants. There has been limited progress in attracting China enterprises to invest in Hong Kong even after signing the Agreement. If we wait any longer, many of these mainland firms will be attracted to other international markets, for Hong Kong is not the only place nor do we have the monopoly to attract these companies. At such a point, Hong Kong will lose a very good business opportunity.

Moreover, to enhance local competitiveness, we must continue to strengthen our niche as an international city. At the same time, some of our core industries have a limited scope of development and are facing even more severe competition from the surrounding areas. The original motion encourages the Administration to increase its expenditure on research and development and to set up a restructuring fund to assist Hong Kong businesses to upgrade and transform their businesses. I think these suggestions pinpoint the challenges we face. The Administration should conduct in-depth studies, offer assistance and facilitate the local economy's restructuring.

Finally, to maintain Hong Kong's international position, we must share our experience. To stimulate greater Pan-PRD co-operation, we must remove obstacles caused by regional protectionism, trade barriers and differences in commercial systems, even though I believe it will be quite difficult to completely standardize commercial standards in the Pan-PRD Region. In addition, we must strive to work hard to have a better understanding of our Pan-PRD neighbours so that we can create better market opportunities for all of us.

Thank you, Madam President.

**PROF PATRICK LAU** (in Cantonese): President, as a member of the Economic Summit on China's 11th Five-Year Plan and Development of Hong Kong, I strongly support the promotion of co-operation between Hong Kong and the PPRD Region. In the professional services sector of the Summit, we work hard to strive for the strengthening of co-ordination with the Mainland, lowering the threshold for entry to the market of mainland cities for professionals with a view to providing quality services of international standard to enterprises in the region.

In addition to lowering the market entry threshold for professionals, I think the Hong Kong Trade Development Council may also assist the professional services sector in Hong Kong by promoting their service to mainland cities with the quality brand image of professionals. This will open up room for development for professional services and at the same time enhance the corporate management standard on the Mainland.

One of the objectives of the 11th FYP is to further liberalize the construction and relevant project service market by means of mutual recognition of professional qualifications and privileged arrangements under CEPA. However, it has been five years since China's accession to the World Trade Organization, so starting from the end of this year, foreign businesses of sole proprietorship will be allowed to set up in China, by then, Hong Kong will lose its original advantage.

Therefore, in order to develop new areas for economic growth, we have to reach out to the world hands in hands with the PPRD in addition to co-operation with it. Actually, the Economic Summit on China's 11th Five-Year Plan and Development of Hong Kong advocates development beyond China and opening up the global market. Given the enormous trade deficit between China and foreign countries today, we should capitalize on the strength of Hong Kong by exporting our professional services to seek more investment opportunities and thus balance the trade deficit.

President, Hong Kong has reunited with the Motherland and is now a city of China. Therefore, a one-stop service including "information on global business opportunities" should be provided under the auspice of the State, facilitating the search for and exploration of overseas markets. In the construction project sector, in particular, given the supply of quality and experienced professionals in Hong Kong, if strong support can be secured from the State, we will be able to seize the numerous business opportunities arising from the development of cities all over the world.

To facilitate regional co-operation, not only "software" support like the introduction of incentives should be provided, "hardware" support is equally important. Therefore, like other colleagues of The Alliance, I will support the early implementation of the construction of the Hong Kong-Zhuhai-Macao Bridge and the expeditious construction of the transport network linking

Guangdong, in the interest of facilitating the increasingly frequent business exchanges.

The 11th FYP emphasizes the enhancement of co-ordinated development of the region, but so far, owing to the limited flow of information, co-ordination between mainland cities and Hong Kong is still subject to a lot of constraints. Take our neighbour Shenzhen as an example. Since town planning in Shenzhen is not as transparent as it is in Hong Kong, it is thus better to seek Shenzhen's views on the co-ordination and improvement we can make in terms of town planning in Hong Kong, particularly the linkage of transport network at the boundary.

I thus consider the setting up of an information exchange centre necessary, for it can provide an electronic information platform which can facilitate the exchange of information among departments within the region, and we should particularly work hard on planning support to promote two-way urban development. In fact, the office in Guangzhou headed by Mr LEUNG Pak-yan should do more in this respect, providing information on business opportunities available in the Mainland and facilitating co-operation between Hong Kong and Guangdong Province.

To enhance the efficiency of urban development on the premises of healthy competition and regional co-operation, planning with foresight is essential. We should not only match our planning with that of our neighbouring cities, but should also make good planning for our own region. As in the case of the Western Corridor which will open to traffic next year, since a comprehensive transport network is not yet in place, it is worrying that this may bring additional traffic pressure in Tuen Mun District. This is the result of the lack of proper planning in urban development.

One of the key notes of the 11th FYP is to "establish a resource-saving and environmentally-friendly society". This is in fact a principle emphasized by places all over the world, that is, in the course of urban development, the quality of life of residents should be enhanced through sustainable development and greening of the environment.

Therefore, I support that joint efforts should be made to improve the air quality in the PPRD Region. However, I think it is most important that we

should first do our part well before negotiating with others, for this will be more convincing. Though the Chief Executive introduced the Action Blue Sky Campaign in his policy address to combat the problem of air pollution, I think more practical policies should be adopted to encourage the involvement of the business sector and the public. For instance, the greening of commercial/residential premises and environmentally-friendly premises should be promoted; green designs or designs that facilitate air circulation should be reinforced. Moreover, an energy efficiency labelling scheme for buildings may be implemented territory-wide, so that consumers will have choices and the market will take the lead to promote energy-saving buildings.

With the implementation of effective policies, we can ameliorate the air pollution problem in Hong Kong and clear up our sky. By then, we will be in a better position to propose active co-ordination of the development of the manufacturing sector in the Mainland with a view to alleviating the air pollution in its industrial zone. We should work together to improve the air quality of the region and upgrade our competitiveness, effectively promote our urban development and strengthen our status as a cosmopolitan city in Asia, so as to provide better support for the economic development of the country.

I so submit. Thank you, President.

**MR WONG KWOK-HING** (in Cantonese): Madam President, I support the motion proposed by Mr WONG and the several amendments.

Certainly, stepping up Hong Kong's co-operation with the PPRD Region is an important and integral part to the 11th FYP, the motion and the several amendments have, however, set eyes on mainly the economic and business-opportunity fronts. I wish to expound on a few major problems encountered by Hong Kong people working and living in the Mainland, and I hope the Government can assume an active role in facilitating co-operation and look into how the SAR Government can negotiate with the Mainland to help Hong Kong people.

As there are many hidden problems with working and living in the Mainland, the Hong Kong Federation of Trade Unions (FTU) has received many such requests for help. Because this, the FTU has established over the years consultation service centres for Hong Kong people in Shenzhen, Dongguan and

Guangzhou. The centres have been frequently visited by help seekers since their opening. However, the centres established by the FTU in the Mainland are, after all, only civic organizations and not government organizations. They do not receive any funding by the SAR Government. Should the Government not consider how to help, on the policy front, Hong Kong people to tackle problems encountered in living and working in the Mainland? I wish to list a few points here, the first of which is about employment protection. For instance, in cases where Hong Kong people, who have taken up cross-boundary employment, encountered problems with their employment relationship such as compensation for work injuries, insurance, and so on, how should we help them to tackle such problems? Has the Government stepped up publicity so that cross-boundary workers are aware of their own rights? When they encounter problems relating to employment relationship or occupational safety, what could they rely on to protect their occupational right and right for safety? This is the first aspect.

The second aspect is about purchasing property in the Mainland. At present, many Hong Kong people may have purchased property in the Mainland, in particular in the Pearl River Delta Region. In the first half of this year, the FTU centres have received over 300 complaints concerning property purchase. We reckon that the mainland legal system is not sophisticated enough and thus many problems have surfaced concerning property purchase in the Mainland.

Many developers investing in mainland real estate will present a glamorous picture of their property projects in their advertisements in Hong Kong, describing the property projects almost supernal; and the names of the projects are all the same as those of the plazas and malls in Hong Kong. If one does not take a careful look at the address and purchases the property because of its low price, he will discover after purchasing it that it is not protected by the law. The SAR Government does not have regulation under the law on mainland property development projects placing advertisements in Hong Kong newspapers; neither does it have sufficient regulation on real estate agents. Many people are purchasing the property from a distant place, and even if some have acquired their properties not in this way, their ownership is not protected either. This has given rise to many disputes. When they encounter these problems, they have no recourse in the Mainland, neither do they have any recourse after returning to Hong Kong. If the Government does not tackle these problems, how could it boost the confidence of Hong Kong people in purchasing properties in the Mainland? How could cross-boundary living be protected?

The third aspect concerns the problem of retired Hong Kong people living in the Mainland. This is actually a very common phenomenon. As the living index is high in Hong Kong, many people will return to the Mainland or their home towns with their small amount of pension for retirement. The restrictions imposed by the SAR Government on Hong Kong citizens applying for the old age allowance at present are, however, very mean and unreasonable. Although the permissible period of absence from Hong Kong has now been relaxed to 240 days after our strong efforts for such relaxation, why should such unreasonable restriction be set in the first place? The applicant should be entitled to this allowance as long as he can prove that he is still alive. A Member mentioned earlier that according to incomplete statistics, there are 20 000 retired Hong Kong people living in the Mainland. Why do these people have to return to Hong Kong every 240 days to prove that they are still alive before they can receive the old age allowance? Why do we have to make things difficult for them? For civil servants in Hong Kong, if they live abroad after retirement, they are entitled to their pension as long as they can produce the proof and they do not need to specially come back to Hong Kong. The logic is the same. This is a double-standard.

Last but not least, the fourth aspect I wish to point out is that Hong Kong people have no recourse if they encounter problems in living, working, retiring or even travelling in the Mainland. The FTU centres have recently received numerous strange requests for help. We will provide assistance to them whenever they come to us. Some of them have lost all of a sudden all of their identity documents, while some have all their money stolen, stranded on the streets, and have to resort to begging. As long as they come to the centres, we will offer them help wherever possible.

In fact, if we want to step up co-operation between Hong Kong and the PPRD, should the SAR Government not consider the fact that Hong Kong people need to have a channel for recourse and emergency assistance when they encounter problems in living or working in the Mainland, or problems concerning life and death or their safety?

I thus put forth the four aspects above, which are just a few examples only. I wish to urge the Government through this debate to take note of and attach importance to these problems and to take concrete actions to tackle them so as to help Hong Kong citizens living and working in the Mainland.

Thank you, Madam President.

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

**MR ALAN LEONG** (in Cantonese): Madam President, in October last year, the 11th Five-Year Plan on National Economic and Social Development (the 11th FYP) was endorsed at the Fifth Plenary Session of the 16th Central Committee. It is worth noting that the 11th FYP stresses the need to change as soon as possible the mode of economic development, adopt a sustainable development strategy that is efficient, clean and safe, step up the establishment of a harmonious society, facilitate all-round development of the person, and attach importance to social justice. Compared to the economic plans in the past which emphasized increasing material wealth, the 11th FYP has obviously put more emphasis on society, the environment, and so on, and it is geared more towards humanistic development. Just as MA Kai, the Director of the National Development and Reform Commission, said during the drafting of the 11th FYP: "The 11th FYP should exhibit a new development point of view that is people-oriented."

Madam President, if we are to figure out how Hong Kong can truly dovetail with the 11th FYP, we must not turn a blind eye to its main themes. What the Mainland is pursuing at present is fundamentally what the decision-makers of the Central Government have designed, which is more than growth in the economic figures, but rather to achieve healthy development through opening up human resources, expanding employment, and improving education, hygiene, safety and social security, as well as paying more attention to the interests of disadvantaged regions and communities. We must, while building up our software and hardware for commercial transactions and identifying business opportunities, boost our social and environmental efficiency before we can truly respond to the new situation created under the 11th FYP.

The amendment proposed by Mr Ronny TONG proposes to promote the existing strengths of Hong Kong, such as our legal system and corporate governance, in the PPRD Region. From the experience of Hong Kong, it is not difficult to understand the importance of an impartial and clean legal and economic system to maintaining the momentum of our economic development and upholding social justice. If we want to explore the greatest contribution Hong Kong can make to the Motherland, exchanging and promoting our experience on a sound social system will be essential.

Madam President, I wish now to talk about another focus of the 11th FYP and that is, to facilitate co-ordinated regional development, in which emphasis has been put on the development of the Yangtze River Delta (YRD) Region and the Beijing-Tianjing-Hebei-Circum-Bohai Sea Region. As to the PRD Region, it is mainly decided by the province itself. In fact, the provinces which participated in the Pan-PRD Regional Co-operation Framework Agreement (the Nine plus Two Agreement) have examined long ago their respective roles in the 11th FYP and some of them are already making headway progressively.

Let us take two provinces in the Central-China Region which have participated in the Nine plus Two Agreement as examples. Hunan Province will vigorously develop a 3 000 km road network connecting the PRD, YRD and the southwestern region with a view to entrenching its position in transportation and logistics; while Jiangxi Province, by taking reference from the Free Trade Zone in America, has proposed a versatile and selective execution of the terms for the establishment of a co-operation framework among six provinces in the Central-China Region for southward development. Among them, Fujian Province has already locked its target on the Taiwan Strait and will develop its railway network and talents so as to pave the way for the establishment of "three direct links" in future. These provinces have taken proactive actions under the 11th FYP by first establishing their own competitive edges and directions for development, rather than relying purely and passively on the Mainland or our neighbouring provinces to cope with us.

In comparison, Madam President, can Hong Kong materialize the discussion of the economic summit and identify as soon as possible our own strengths, weaknesses, opportunities and challenges under the 11th FYP and chart our course accordingly? Let us take tourism, one of the four pillar industries, as an example. We have seen recently the launch of the Disneyland and Ngong Ping Skyrail in Hong Kong, but many of our old memories which have charmed the world are left to fade away. For instance, the old Star Ferry pier in Central, which just finished its mission in history last week, has been admired by tourists all over the world for the chiming of its clock tower. It has also become the focus of the world when Robert LOMAX and Suzie WONG got on shore there together. How could we pull the clock tower down so recklessly? As a straw shows which way the wind blows, while being too preoccupied with developing the resources for tourism or other economic activities, we may have lost our own competitive edge unawares.

Madam President, Hong Kong should not be complacent and turn a blind eye to the fact that the PPRD Region or even the entire Mainland has been developing rapidly. Our economy cannot, however, rely entirely on the development of the Mainland. While we have to perfect our hardware to attract the authorities and business sector in the Mainland to use services in Hong Kong, we also have to consider our key strengths and expeditiously define our best role to play according to our edge over neighbouring provinces. We should also seek to reach an arrangement on the division of labour in terms of industries with provinces in the PRD and avoid, at the same time, blind development, and not to neglect the social and environmental costs incurred by such development.

Madam President, I so submit.

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

**MR ALBERT CHAN** (in Cantonese): President, the issue of PPRD regional co-operation often involves regional interests, in particular economic interests. In fact, in handling any matters concerning co-operation, we should strive to break regional boundaries on conceptual and strategic levels. Such co-operation includes those between governments, organizations and the people, rather than those between the privileged classes for their individual specific interests or transfer of interests.

In the debates in this Chamber, Members coming from functional constituencies very often will focus on the specific interests of their functional constituencies or the organizations they represent, and put the interests of the people out of their mind. This practice is extremely dangerous because such co-operation is often transient, and to a certain extent, involves transfers of interests at the expense of the rights and interests of the people. Ultimately those poverty-stricken in Hong Kong and the hundreds of millions of people in the Mainland will be the ones to suffer. Thus, we need to exercise extra caution in carrying out such co-operation because it will give specific interests and statuses to the privileged classes, which in turn will trigger many problems. For instance, the air pollution problem that we have to bear is caused by the interests of the privileged classes.

In the past 10 years or so, in particular during the development of the PRD, because things could get through the back door, construction could be

carried out, factories established and sewage discharged indiscriminately without going through any environmental procedure or formal land approval process. This has seriously damaged the environment. Thus, we should absolutely stop, prohibit or even denounce the privileged interests. We should be very careful in letting these corporations with privileged interests to go northward because they themselves are part of the transfers of interests. We do not know what they do at night.

A few years ago, President, as I remember it was about four to five years ago, I already said in this Chamber that our great Motherland was gradually becoming more middle-class, whereas Hong Kong was gradually moving towards povertization. At that time, hardly anyone understood or heeded my advice, neither did the Government pay attention to it. However, reviewing the development in the past four to five years, the emergence of the middle class in the Mainland has become increasingly prominent. We welcome professionals and talents of the Mainland coming to Hong Kong. The Government is, however, duty-bound to tackle the problem of Hong Kong moving towards povertization. The economic development in the Mainland will inevitably bring about more privileged classes and plutocrats and their interests will expand. Given the low labour cost on the Mainland, the people of Hong Kong will become less and less competitive. The Government does not have any concrete measures in this respect to facilitate the production of high value-added or high-value products in Hong Kong. Hong Kong has thus gradually lost its competitive edge in this respect.

While the mainland economy has taken off, some sectors of Hong Kong have been marking time while some have in fact been regressing. Even if some have progressed, they have been progressing at a snail's pace, a far cry from the booming economy of the Mainland. I would go to different places of China every now and then, and I find that Shanghai, other regions in eastern China or even around Xinjiang are progressing. The same is true of the governing attitude and ability of the town or village governments of the PRD in the Mainland. I often find talking to their young cadres more stimulating than talking to senior government officials in Hong Kong because the former work hard to put in place many good measures for developing their region, creating job opportunities and improving the environment. When I talk to government officials in Hong Kong, just as I have reprehended in this Chamber certain government officials of being autistic, they disregard everything you have said as

if they have never heard it. It can be said that there is hardly any construction available for the local economy. They only cater for the interests of the business giants and take no heed of projects for developing the local economy.

Tomorrow I will meet with the Financial Secretary and I will suggest to him a number of proposals, one of which is the establishment of an inter-departmental special committee convened by the Chief Secretary for Administration. The committee will seek to assist in launching projects on the development of the local economy, and to adopt a "one-stop" service to enable Hong Kong to gradually catch up with the pace of development on the Mainland. In the Mainland, the vetting of development projects for each region has also adopted a "one-stop" service. The applicant only needs to go to one office to have all the documents, including the business licence and environmental permit, vetted. Unlike the Mainland, the bureaucratic system in Hong Kong will only put the blame on others and obstruct each others' work, which will only strangle the local economy of Hong Kong.

Another issue of development which I have mentioned just now is that development should involve a two-way flow of material, capital, information and people. It is ridiculous that one sixth of the Members in this Chamber do not have a Home Visit Permit for them to go to the Mainland — it should be more than one sixth and Mr CHEUNG Man-kwong is one of them. As an important decision-making body, we still have more than one sixth of the Members who are denied dual-way travel to the Mainland. This will smother the two-way flow of information and exchanges of thoughts. If the situation continues, it will be detrimental to both sides. All in all, no place should allow its privileged class to enjoy privileged interests and channels. The two sides should develop under a fair and open mechanism so as to benefit the entire populace. Thank you, President.

**MR ALBERT HO** (in Cantonese): Madam President, today many colleagues mentioned that this topic has been debated many times and that the principles mentioned are too high-sounding, broad and vague. Nevertheless, discussions seeking to find a direction are often like this. This is unavoidable.

However, I wish to propose two even more high-sounding concepts. What are they? First of all, when we talk about integration, we should not

embrace the idea so unreservedly as to lose sight of Hong Kong's own position. Secondly, when we talk about making the Mainland on a par with the international community, we can consider making it on a par with Hong Kong first because Hong Kong is an international city within its territory. If the Mainland can successfully bring itself on par with Hong Kong, will it not be in a better position to coverage with the international community?

Madam President, my reason for saying not to lose sight of our own position completely is not that Hong Kong is blinded by self-conceit, but that we should not improperly belittle ourselves by thinking that Hong Kong will gradually lose its edge in the opening and reform of the mainland economy in the past 20 years and thus we only have one way out, that is, through integrating fully with the Mainland as an economic city for survival. I believe colleagues are aware that the reason for Hong Kong to be able to maintain such a unique position and role is our numerous unique conditions.

In 1949, as Members may know, communism swept across the world. The reason for leaders at the time to be willing to bear the humiliation of carrying a colony was that they knew that they would adopt another system when developing the nation and thus they needed a land of freedom as a buffer to tap foreign capital and for the free flow of information.

Even in 1966 when the ideology peaked and reached a fanatical level, they were still unwilling to get rid of the colony and wanted to preserve this enclave.

The formulation of the "one country, two systems" policy in 1982 also sought to preserve Hong Kong as a unique region and to let it continue to play its role and serve its functions. Certainly, we cannot agree more that with the changes in the past 20 years, we can no longer think that, by relying on the Mainland as the hinterland alone, this piece of blessed land could continue to count on the situation that the Mainland would remain closed like before and it had to rely solely on Hong Kong, so that we could be as exceptionally endowed and prosperous as we had always been, making money all the same.

Such an era has gone and we need to have a new mindset to embrace the new changes. Meanwhile, however, what is our "origin"? Our "original position" is this land of freedom which we treasure most. On this land of freedom, we have the rule of law as the foundation, and the public administration

is clean and just. Under the rule of law, we have a lot of sound infrastructure and good governance. These should all be further consolidated. It is exactly under such an environment that we have seen many international corporations remain willing to use Hong Kong as their regional headquarters in Asia, willing to use the legal system in Hong Kong to settle their proceedings or arbitrations and use Hong Kong as the legal service provider. More importantly, the Mainland values Hong Kong as the platform and centre for capital raising. Many forward-looking officials in the Mainland also echo this point, for they know that the Mainland cannot replace Hong Kong on this front because it will take not just a few years, but 10-odd years or even decades for the Mainland to establish its software, and the establishment of which entails a change in the basic policy of the Mainland. That is to say, is the Mainland really willing to establish a legal system which is based on the rule of law, and to delegate power to the Judges to exercise their duties independently? These are all very important.

I hold that if Hong Kong can do its part well, we can help the mainland authorities in moving further towards reforming their rule of law and consolidating further their future development.

Meanwhile, democratization is absolutely essential to further strengthening the edges of Hong Kong. A political system without democracy will rock our foundation. As for integration, a very important point is that while exchanges between the two sides are very often made possible through co-operation, it may, however, trigger many conflicts of interests and challenges.

The problems mentioned by Mr WONG Kwok-hing earlier in the debate are that many businessmen have encountered many challenges in the Mainland, and they may even be frequently caught in legal disputes or taken into custody when doing business in the Mainland. The biggest problem with the legal system in the Mainland now is, other than its lack of judicial independency, the numerous obstacles in law enforcement. One of the obstacles is the use of criminal means to achieve civil outcomes, for instance, the use of detention and criminal prosecution to recover debts. These incidents are the stumbling blocks to the advancement of its legal system. Moreover, many procedures in the Mainland are very backwards and we thus hold that we are duty-bound to enable them to be on a par with us so as to move forward.

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

(No Member indicated a wish to speak)

**PRESIDENT** (in Cantonese): If no other Member wishes to speak, Mr WONG Ting-kwong, you may now speak on the amendments. You have up to five minutes to speak.

**MR WONG TING-KWONG** (in Cantonese): Madam President, for a long time, Hong Kong has been playing a crucial role in the economic development of southern China. Today, I have proposed this motion here because I hope that Hong Kong can take a more active role in PPRD regional co-operation. I hold that, on the part of Hong Kong, this can help the Central Government in achieving the goals of implementing a co-ordinated and sustainably-developed 11th FYP, developing its domestic market, facilitating market integration, and reviving its national economy by using a new mode of economic growth. Moreover, this can provide Hong Kong with an opportunity to implement the Mainland/Hong Kong Closer Economic Partnership Arrangement, facilitate advance-level and high-end co-operation, upgrade our competitive edge, develop a new economic impetus and prevent us from being marginalized.

With respect to the amendment proposed by Mr Howard YOUNG of the Liberal Party, the addition of the word "promoting" in the beginning of the original motion indicates that the Liberal Party agrees with the relevant measure and that it should be implemented more actively. Meanwhile, he has proposed in his amendment to the original motion five more measures which have enriched my motion on different fronts. Such measures include improving the air quality, reducing the operating costs of the shipping industries, strengthening the co-operation in tourism between the two places, and so on. I believe these are the concerns of the DAB, and are echoed by other concerned parties. Thus, the DAB supports the amendment proposed by the Liberal Party.

With respect to the amendment proposed by Mr Ronny TONG of the Civic Party, it mainly proposes the addition of point (i) to the original motion, that is, "promoting the strengths of Hong Kong, such as the rule of law and the culture of corporate governance, in the PPRD Region with a view to raising the economic and corporate governance levels in that region.....". The amendment implies that the rule of law and the culture of corporate governance in the

Mainland are different from those in Hong Kong. It also proposes that Hong Kong should take a leading role in conducting relevant reforms in the Mainland. To this, the DAB begs to differ. Therefore, the DAB has moved an amendment, as presented by Mr CHAN Kam-lam, which mainly stresses that co-operation and exchanges between the two places should be conducted on an equal basis.

With respect to the "restructuring fund" and the "applied research, science and technology fund for the Greater PRD", as put forth in the research report by the DAB titled 《香港在泛珠區域合作中的前景、問題與對策》(The Prospect, Challenges and Strategies of Hong Kong under the PPRD Regional Co-operation), and the establishment of a relevant research institute and a R&D centre, Members of the Democratic Party have expressed reservations about them. We look forward to exchanging views and exploring further on these issues with the Democratic Party and other concerned parties. I urge Members to support the original motion moved by the DAB and the amendment proposed by Mr CHAN Kam-lam.

I so submit. Thank you, Madam President.

**SECRETARY FOR ECONOMIC DEVELOPMENT AND LABOUR** (in Cantonese): Madam President, I have to thank Mr WONG Ting-kwong for moving the motion today and all the Members who have given invaluable comments on the motion. Since the motion covers a wide spectrum of issues and the Secretary for Commerce, Industry and Technology, Mr Joseph WONG, is out of town attending the Asia-Pacific Economic Co-operation meeting, I am standing in to make a response to this debate on behalf of the Government.

To promote the Pan-Pearl River Delta (PPRD) regional co-operation is significant to the sustainable and further development of the country and Hong Kong. Since 2004 when the PPRD regional co-operation formally commenced, the SAR Government has been taking part actively. The Chief Executive has led a large economic delegation to Guangxi and Hunan in recent months. There will be further delegations to Kuizhou and Jiangxi to further promote economic and trade exchanges between Hong Kong and the PPRD Region.

Of the nine provinces in the PPRD, Guangdong Province is situated closely to us and its development will have a far-reaching impact on Hong Kong. The National 11th Five-Year Plan (FYP) of Guangdong Province puts forward

the idea of optimizing the export commodities and the trade structure, and imposing restrictions on the export of resource products, products that lead to high deletion of energy and high pollution. As industrial restructuring goes on in Guangdong Province, Hong Kong-financed enterprises are moving towards high value-added and low deletion production. This appears to be the general trend. The Trade and Industry Department and the SAR Government's offices in the Mainland have published the most up-to-date economic information about the Mainland through various channels. Besides, we will also reflect timely Hong Kong businessmen's suggestions on mainland's economic measures to the relevant mainland departments as well as the measures' impact on them. For instance, we have reflected Hong Kong businessmen's worries about the additions to the Index of Banned Categories of Goods for Processing Trade. The Mainland has made immediate responses and adjustments, thus mitigating the impact of the policies on the industries concerned.

All along, the Central Government has conducted consultations on important economic and trade policies. Through various channels, the SAR Government has reflected Hong Kong businessmen's common concerns on the new policies to the relevant departments. Since these policies in the Mainland will have profound impact on the Hong Kong businesses, we have proposed to the Central Government that prior to the introduction of important rules and regulations, there should be extensive consultation at the earliest opportunity so that the enterprises can have sufficient time for transition and adjusting their business. Furthermore, under the trade and investment facilitation framework of CEPA and the liaison mechanisms set up with individual provinces and municipalities, such as the Pan-Pearl River Delta Regional Co-operation Framework Agreement and the Hong Kong/Guangdong Cooperation Joint Conference (CJC), we will try to enhance the transparency of the rules and regulations of the two places. We will also maintain close liaison with the relevant mainland departments to facilitate exchange of information between the two places and investment by Hong Kong businesses.

The mainland economy is developing prosperously. To tie in with the national policy of encouraging the enterprises to go global, the SAR Government has committed more resources in the Mainland in recent years to actively promoting investments. We have also promoted Hong Kong as a gateway to the international market to mainland enterprises, in particular enterprises in the PPRD Region. In mid-2006, the Invest Hong Kong (InvestHK) has expanded the investment promotion unit of the Hong Kong Economic and Trade Office in

Guangdong so that its coverage will be expanded from Guangdong to other neighbouring provinces. Besides, the Invest Hong Kong Service Centre, which was set up in June this year in Guangdong, will also provide information to investors on investment in Hong Kong.

InvestHK has also set up an investment promotion unit in the SAR Government's Economic and Trade Office in Chengdu which was set up in September this year. It has also planned to set up an Investment Hong Kong Service Centre in the Office. These measures have strengthened InvestHK's network and services in the PPRD so that InvestHK will be able to get in touch with potential investors in the Mainland in a more direct manner and offer timely and thorough assistance and advice to mainland enterprises which intend to invest in Hong Kong.

The Hong Kong SAR Government will continue to co-operate closely with the mainland departments in order to assist enterprises in making investments and setting up offices in Hong Kong. A guideline "InvestHK Step-by-step Guide" designed for Guangdong Province has been published recently and InvestHK will publish guidelines especially designed for other provinces as well.

Mr WONG suggested that a set of standardized commercial terms be developed for the PPRD Region. We will maintain communication with the PPRD provinces and fully agree that we should develop in the direction of eliminating trade barriers and promoting free trade.

In fact, the SAR Government, through various channels such as the PPRD Co-operation Agreement and investment facilitation mechanism under CEPA, seeks to promote facilitation of investment. For instance, in order to further facilitate the clearance of goods, the Customs authorities on both sides have worked diligently and studied the implementation of various facilitation measures, including the recognition of the inspection result of either party in order to streamline the procedures and reduce the time involved. Since January this year, the Customs authorities on both sides have adopted the unified road cargo manifest to save the time used by the truck drivers in completing the duplicated task of filling in cargo manifests. Besides, the Customs authorities on both sides have also reached an agreement. Since November last year, the mutual recognition of labels for inspected goods was implemented at the land border check-points so as to minimize the procedures and time involved in the inspection of the same goods by the Customs of both sides.

Madam President, the SAR Government will continue to carefully listen and consider the views expressed by the industry on how to eliminate trade barriers.

To facilitate the cargo flow, we need proper matching transport measures. So, apart from improving the cross-boundary infrastructure facilities, the SAR Government has also strived to implement a series of cross-boundary railway and highway projects, including the Hong Kong-Shenzhen Western Corridor (HK-SWC), Sheung Shui to Lok Ma Chau Spur Line (the Spur Line) and Guangdong-Shenzhen-Hong Kong Express Rail Link (the Express Rail Link), and Hong Kong-Zhuhai-Macao Bridge (HK-ZMB). All these have laid a solid foundation for the further economic development of the region.

The HK-SWC, being our fourth cross-boundary land crossing, is scheduled for commission in mid-2007 to tie in with the commissioning of the boundary crossing facilities at Shekou. It is expected that the maximum cross-boundary vehicle handling capacity will then increase by more than two fold.

Besides, the Spur Line and the Futian Control Point at Shenzhen are scheduled for commissioning in the first half of 2007. It is expected that the Spur Line will help relieve congestion at Lo Wu and significantly enhance the passenger handling capacity of our rail crossing.

The Express Rail Link will become an express link between Guangzhou and Hong Kong. It will tremendously shorten the travel time between the two places and facilitate the frequent business travellers between the two places. The Executive Council has approved that the Hong Kong Section of the Express Rail Link be taken forward. We have invited the Kowloon-Canton Railway Corporation (KCRC) to proceed with the planning work in conjunction with the Northern Link. The KCRC will submit its report by the middle of next year. Meanwhile, we have exchanged views with the Mainland on the linkage of road sections between the two places and the technical problems involved. We are now studying the latest planning data and the passenger volume forecast of the Mainland so as to decide what proposal will be the best for Hong Kong.

Mr WONG has proposed that the HK-ZMB be constructed as soon as possible. At present, the Hong Kong-Zhuhai-Macao Bridge Advance Work Co-ordination Group (AWCG) set up by the Governments of Guangdong, Hong Kong and Macao has reached a consensus on the alignment and landing points.

Regarding the boundary crossing facilities (BCF), the three parties of the AWCG have agreed to adopt the mode of "separate locations of BCF" and have commissioned a consultancy study on the detailed arrangements for and possible locations of the BCF, as well as the financing arrangements. After the proposal has been approved by the AWCG, the feasibility study report of the project can be finalized and submitted to the Central Government. Subject to the endorsement of the Central Government, the design and construction of the HK-ZMB can be commenced.

Madam President, the SAR Government will continue to maintain close liaison with the Mainland, actively implement the abovementioned cross-boundary infrastructural projects and explore the need and feasibility of developing other cross-boundary infrastructure projects in due course in order to tie in with the commercial co-operation between Hong Kong and the PPRD.

In different parts of his motion, Mr WONG mentioned the importance of expanding the capacity of research and development (R&D). Let me respond *seriatim*. In fact, the SAR Government has striven to implement various projects to create a favourable business environment, to help traditional industries upgrade, to support the development of new industries and to encourage the industries to turn to high value-added modes of production. In 1999, we set up the Innovation and Technology Fund (ITF) in order to provide funding to projects which will help innovation and technology upgrading by industries and contribute towards the development of industries. In the past six years, the ITF has allocated \$2.6 billion to support some 880 projects. Assistance has been provided to a wide spectrum of applied R&D projects such as information technology, biotechnology, Chinese medicine, electrical and electronics, manufacturing technology, materials science, textiles and garments, and so on.

In order to further promote the application of R&D and commercialization of R&D results, the SAR Government set up five R&D centres in April this year with the focus on developing domains of technology in which Hong Kong has a competitive edge and can meet the market demand. These include automobile parts, information and communication technology, applied technology in logistics and supply chain management, nanotechnology and advanced materials as well as textiles and garments.

The establishment of these R&D centres is intended to help upgrade the competitiveness of the industries in Hong Kong and the Greater PRD. The

Ministry of Science and Technology and the Department of Science and Technology of Guangdong eagerly support the development of Hong Kong's R&D centres into a platform for applied R&D and technology transfer. In mid-2006, the SAR Government organized seminars in four Guangdong cities in order to promote the scheme of R&D centres to Hong Kong-financed enterprises and mainland enterprises in the PRD. With an attendance of around 1 000 people, these seminars went down pretty well. We will continue to liaise with the Mainland for promoting these R&D centres as the R&D platform of the two places.

Since 2004, the Governments of Guangdong Province and Hong Kong SAR has launched the Guangdong/Hong Kong Technology Cooperation Funding Scheme. This year, \$800 million has been earmarked to support R&D projects under six technology areas. Two years after its inception, we have received the wide support of the technological research sector and the enterprises. We will continue to discuss with the Guangdong Provincial Government on how the co-operation of the research institutions and enterprises of the two places can be further intensified on the existing foundation.

Meanwhile, in order to strengthen support for design and innovation, and to add the element of high value-addedness, high intellectual property content and innovation to various trades and industries in Hong Kong, the SAR Government set aside \$250 million for the DesignSmart Initiative in 2004. The Initiative has been well received and a total funding support of about \$52 million has been earmarked for almost 50 projects as at the end of October 2006. Besides, under this Initiative, the InnoCentre set up jointly by the Hong Kong Technology Park and Hong Kong Design Centre will provide one-stop design services to the industry. The Centre was officially opened just this week. To strengthen our work in this area, we will seek an additional funding of \$100 million from the Legislative Council to further support the operation of the InnoCentre in the next five years so that design-related activities can be organized, co-operation between the design sector and the industry strengthened and the development of the design profession given support.

Apart from launching various R&D projects, the SAR Government will continue to listen to the views of the business sector, including their views on the establishment of a transformation fund, so that support which can meet the needs of the business sector and cost-effectiveness can be provided to assist the businesses to rise to the future challenges.

Madam President, concerning Mr Ronny TONG's amendment, I would like to point out that the SAR Government has striven to consolidate the rule of law in the Mainland and promote Hong Kong's advantage in legal services through various channels. These include exchange visits between the legal organizations and professional bodies in the Mainland and Hong Kong, organizing or participating in seminars on various legal issues, organizing training programmes, and so on. The SAR Government will continue to co-operate with the sector so as to strengthen exchanges between the judicial officers and legal practitioners of the two places, promote Hong Kong's legal services and explore how to strengthen the construction of the legal systems in the two places. The Hong Kong legal sector and the PPRD have already built up a very good foundation in terms of co-operation. On this basis, we will promote further exchanges between the legal professions in the two places.

In his amendment, Mr Howard YOUNG referred to the co-operation between the two places in different areas. In fact, our co-operation is not restricted to commerce, industry, technology or transport facilities. Many other areas are also included. In terms of air quality improvement in the region, we and the Guangdong Provincial Government have agreed the air quality management plan for the PPRD. On a best endeavour basis, the emission of sulphur dioxide, nitrogen oxides, respirable suspended particulates and volatile organic compounds will be reduced by 40%, 20%, 55% and 55% respectively by 2010, using 1997 as the base year. Our co-operation covers all levels. In terms of technology, we have set up a 16-station PRD regional air quality monitoring network. Members of the public are able to learn about the regional air quality index on the web. Meanwhile, we have worked together to formulate the Emissions Trading Pilot Scheme with a view to reducing emissions by use of market force.

In terms of promoting the development of financial services in the two places, Hong Kong, as a major international financial centre in the Asia-Pacific Region with a galaxy of financial talents, a sound financial infrastructure and a regulatory regime on a par with international standards, can provide an ideal financing and investment platform for the rapid developing enterprises in the PPRD. Currently, 355 mainland enterprises have been successfully listed in Hong Kong raising more than \$1,394 billion in capital. Among these enterprises, 100 came from the PPRD Region. In order to encourage more enterprises to use Hong Kong more as a platform for financing and investment, the Financial Services and the Treasury Bureau organized the Pan-Pearl River

Delta Financial Services Forum in March this year. More than 600 officials from the PPRD Region, officials of the central government ministries and commissions and niche practitioners of the business and financial sectors attended the Forum. The Forum gave leaders of the PPRD authorities and representatives of enterprises with a better understanding of various financial and investment services in Hong Kong. It has encouraged them to make use of Hong Kong as an international financing and investment platform, thereby laying a good foundation for further co-operation in financial services in the PPRD Region.

Apart from organizing seminars, the SAR Government has fostered better mutual understanding through sending deputations of the financial sectors to the PPRD Region. Hong Kong's diversified and international financial services are also promoted in order to explore more business opportunities in financial co-operation of the two places.

It is explicitly stipulated in the national plan of the transport system that, on the premise of maintaining Hong Kong's status as an international shipping centre, the overall advantages of Hong Kong and the ports along the PRD Region in the container transport system will be brought into full play. The SAR Government has taken various measures to avail ourselves of the opportunities in the prosperous PRD Region to support the overall development of our shipping and logistics industries.

With the continuous development of the ports in the PPRD Region, the capacity of water transport will be increased tremendously. Until land transport is fully developed, river trade will be the main force at the Western part of the PRD. It is estimated that it will bring more opportunities to the Hong Kong port. Last year, 232 000 ships came to Hong Kong, among which 39 000 were ocean liners and 193 000 were river trade vessels. During 2001 and 2005, the river trade container throughput in South China and Hong Kong saw a year-on-year increase of 11% on average. This has injected a new impetus of growth in the port of Hong Kong.

Given the sharp rise in river trade, the Government has, in response to the industry's request, designated new anchorage points in the waters off northern Lantau Island and the western part of Victoria Harbour in order to enhance the cargo handling capacity of mid-stream operation. To facilitate the ship owners in arranging their schedules and to meet the need of port operators, the

Government will make flexible arrangements in response to the market demand and designate more anchorages in order to cater for the ever-increasing river trade volume and transshipment of goods from the PRD.

Moreover, an exercise is ongoing to amend the legislation, so that the Government can introduce multiple entry permits for river trade vessels, streamline application procedures and reduce the permit fees so that the efficiency of river trade can be enhanced and more river trade vessels will be attracted to Hong Kong.

The measure of designating more anchorages came into effect in February this year and other measures will be implemented by the end of this year and early the next when the relevant legislative procedures have been completed. With the implementation of these measures, medium-sized vessels anchoring in Hong Kong for two days will save 25% in anchorage cost. Vessels coming into Hong Kong on multiple-permits will save half of the permit fees.

In order to enhance Hong Kong's status as the premier international transport and logistics hub in Asia, the Government will also strive to rationalize services on the supply chain, provide impetus to Hong Kong to develop in the high value-added direction, and provide infrastructure facilities and a business environment conducive to the development of the logistics industry.

According to the "Hong Kong Port — Master Plan 2020" completed by the Government at the end of 2004, it costs about US\$300 more to ship a 40-ft container from Dongguan to the United States via Hong Kong than via Shenzhen. The land haulage cost is one of the major factors leading to such difference in costs.

Since 2004, the Government has striven to increase the efficiency of cross-boundary haulage in order to enhance the land linkage between the cargo sources of Hong Kong and the Mainland with a view to reducing the cross-boundary land transport cost. Under the framework of the CJC, both parties have achieved good progress in implementing measures for promoting the efficiency of cross-boundary freight, including the relaxation of the "four-up-four-down" and "one-driver-one-truck" rules last year. This has increased the flexibility of the cross-boundary freight industry in the deployment of trucks, equipment and drivers.

Depending on the cargo volume and actual needs of various areas, the Guangdong Provincial Authorities extended the operating hours of four border points, namely, Fenggang, Changan, Huangcun and Taiping in Dongguan. The Liaobu inland control point in Dongguan will come into operation this year, with an express clearance system that will enhance the efficiency and speed of customs clearance. According to the industry, the cost difference in cross-boundary transport has been narrowed to US\$260.

In order to enhance our port's productivity following consultation with the industry, the Government, after gaining the support of the Hong Kong Port Development Council, has provided backup area in the vicinity of Kwai Ching Container Terminal for the industry so as to enhance the cargo handling capacity and productivity of the container trade. A tender exercise for the first two inter-modal connection facilities was conducted in May. Besides, the relevant department will continue to review the land use and planning in the vicinity of the container terminals in order to provide more backup area for the development of the port and the logistics industry.

In respect of tourism, the development and promotion of "multi-destination" itinerary is one of the major co-operation items between Hong Kong and the mainland tourism industry. The Hong Kong SAR will co-operate with various provinces and municipalities in the PPRD and take full advantage of the rich tourist resources, plan and promote different theme routes so that the co-operation among Hong Kong, Macao and Guangdong will be extended to the PPRD. The Hong Kong Tourism Board will also continue to co-operate with other PPRD provinces and municipalities, participate in the tourism exhibitions organized in the PPRD and continue to exchange tourist information with the Tourism Bureaux of various provinces.

In respect of brand promotion, the Trade Development Council (TDC) has attached great importance to the Pan-PRD market and through various activities, assisted Hong Kong businessmen to develop the brand product market in the Mainland and promoted Hong Kong as a platform for trade and commerce. In Shanghai, Chengdu, Guangzhou and Wuhan, where spending power is higher, the TDC has organized a number of industry-specific promotion activities with the theme of "Style Hong Kong". Take the recent activities in Wuhan as an example. The TDC has managed to help some brand watches and clocks to set up special counters in the department stores in Wuhan. The TDC has also set up a special shop selling Hong Kong brand products in Chengdu this year. For

cities which need specialized services provided by Hong Kong such as Guandzhou, Hangzhou, Changsha and Chengdu, the TDC will organize seminars to promote the services of Hong Kong. Besides, in large-scale exhibitions held in Hong Kong annually, the TDC will set up special brand and design zones to help promote the brand products of Hong Kong businesses.

Madam President, the SAR Government has striven to promote co-operation in different areas between Hong Kong and the PPRD. We will continue to seek participation and greater co-operation actively in order to achieve the goal of supplementing each other's advantages and fostering a win-win situation.

Thank you, Madam President.

**PRESIDENT** (in Cantonese): I now call upon Mr Howard YOUNG to move his amendment to the motion.

**MR HOWARD YOUNG**: President, I move that Mr WONG Ting-kwong's motion be amended.

**Mr Howard YOUNG moved the following amendment: (Translation)**

"To add "(a) joining hands to improve the air quality in the PPRD Region; (b) promoting the development of the financial industries in both places for mutual benefits; (c) striving to reduce the operating costs of the shipping industries in both places, with a view to enhancing competitiveness and promoting mutual development; (d) strengthening the cooperation in tourism to attract more tourists; (e) stepping up the efforts of the Hong Kong Trade Development Council in promoting brands of Hong Kong to the PPRD Region and *vice versa*;" after "including:"; to delete the original "(a)" and substitute with "(f)"; to delete the original "(b)" and substitute with "(g)"; to delete the original "(c)" and substitute with "(h)"; to delete the original "(d)" and substitute with "(i)"; to delete the original "(e)" and substitute with "(j)"; to delete the original "(f)" and substitute with "(k)"; to delete the original "(g)" and substitute with "(l)"; and to delete the original "(h)" and substitute with "(m)"."

**PRESIDENT** (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Mr Howard YOUNG to Mr WONG Ting-kwong's motion, be passed.

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

(Members raised their hands)

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

(No hands raised)

Dr YEUNG Sum rose to claim a division.

**PRESIDENT** (in Cantonese): Dr YEUNG Sum has claimed a division. The division bell will ring for three minutes, after which the division will begin.

**PRESIDENT** (in Cantonese): Will Members please proceed to vote.

**PRESIDENT** (in Cantonese): Will Members please check their votes. If there are no queries, voting shall now stop and the result will be displayed.

Functional Constituencies:

Dr Raymond HO, Dr LUI Ming-wah, Ms Margaret NG, Mr Bernard CHAN, Mrs Sophie LEUNG, Dr Philip WONG, Mr WONG Yung-kan, Mr Howard YOUNG, Ms Miriam LAU, Mr Abraham SHEK, Ms LI Fung-ying, Mr Tommy CHEUNG, Mr Vincent FANG, Mr WONG Kwok-hing, Dr Joseph LEE, Mr Daniel LAM, Mr Jeffrey LAM, Mr Andrew LEUNG, Dr KWOK Ka-ki, Dr Fernando CHEUNG, Mr WONG Ting-kwong, Mr CHIM Pui-chung, Prof Patrick LAU, Mr KWONG Chi-kin and Miss TAM Heung-man voted for the amendment.

Mr CHEUNG Man-kwong abstained.

Geographical Constituencies:

Mrs Selina CHOW, Miss CHAN Yuen-han, Mr CHAN Kam-lam, Mr LAU Chin-shek, Mr LAU Kong-wah, Miss CHOY So-yuk, Mr TAM Yiu-chung, Mr Frederick FUNG, Ms Audrey EU, Mr LI Kwok-ying, Mr MA Lik, Mr CHEUNG Hok-ming and Mr Ronny TONG voted for the amendment.

Mr Albert HO, Mr LEE Cheuk-yan, Mr Fred LI, Mr James TO, Mr LEUNG Yiu-chung, Dr YEUNG Sum, Ms Emily LAU, Mr Albert CHAN and Mr LEE Wing-tat abstained.

THE PRESIDENT, Mrs Rita FAN, did not cast any vote.

THE PRESIDENT announced that among the Members returned by functional constituencies, 26 were present, 25 were in favour of the amendment and one abstained; while among the Members returned by geographical constituencies through direct elections, 23 were present, 13 were in favour of the amendment and nine abstained. Since the question was agreed by a majority of each of the two groups of Members present, she therefore declared that the amendment was carried.

**MS MIRIAM LAU** (in Cantonese): President, I move that in the event of further divisions being claimed in respect of the motion on "Co-operation between Hong Kong and the Pan-Pearl River Delta Region" or any amendments thereto, this Council do proceed to each of such divisions immediately after the division bell has been rung for one minute.

**PRESIDENT** (in Cantonese): I now propose the question to you and that is: That the motion moved by Ms Miriam LAU be passed.

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

(No Member indicated a wish to speak)

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

(Members raised their hands)

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

(Members raised their hands)

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

I order that in the event of further divisions being claimed in respect of the motion on "Co-operation between Hong Kong and the Pan-Pearl River Delta Region" or any amendments thereto, this Council do proceed to each of such divisions immediately after the division bell has been rung for one minute.

**PRESIDENT** (in Cantonese): Mr Ronny TONG, as Mr Howard YOUNG's amendment has been passed, I have given leave for you to revise the terms of your amendment. In fact, the revised amendment only involves changing the numbering of the items because Mr Howard YOUNG's amendment has added five more items to the list of proactive measures that this Council urges the Government to take. At any rate, in accordance with the Rules of Procedure, Mr Ronny TONG, you have up to three minutes to explain the revised terms in your amendment, but you may not repeat what you have already covered in your earlier speech. You may now move your revised amendment.

**MR RONNY TONG** (in Cantonese): President, I move that Mr WONG Ting-kwong's motion as amended by Mr Howard YOUNG, be further amended by my revised amendment. President, the main reason for me to move the amendment today is that the motion itself as well as the amendment give us the impression that the question of developing the Pan-Pearl River Delta Region is a question of making money and not of positioning. I wish to point out that this is because Mr Howard YOUNG has proposed in his amendment a measure which

specifically urges for promoting the development of the financial industries in both places for mutual benefit. President, the most important thing to the financial industries is respect for a sound legal system and the culture of corporate governance. Members of the DAB in delivering their speeches earlier seemed to have mistaken that my amendment is to impose the legal system of Hong Kong on the Mainland, which is, in fact, not what I meant at all. President, a legal system that is sound means the legal system in the Mainland.....

**PRESIDENT** (in Cantonese): Mr Ronny TONG, you now need to explain the revised terms in your amendment, but you seem to be making a reply. This is not a time for you to make a reply and I will not allow you to do so either because you should be moving a further amendment. You need only explain the revised terms in your amendment.

**MR RONNY TONG** (in Cantonese): President, as my revised terms are about promoting the rule of law, I am, in fact, also talking about the further amendment.

**PRESIDENT** (in Cantonese): These terms are already covered in your original amendment, and you are now only amending the numbering of the items. I thus need to remind you of that.

**MR RONNY TONG** (in Cantonese): Thank you, President. I only wish to explain that my amendment is not as what the DAB has said.

**Mr Ronny TONG moved the following further amendment to the motion as amended by Mr Howard YOUNG: (Translation)**

"To add "; and (n) promoting the strengths of Hong Kong, such as the rule of law and the culture of corporate governance, in the PPRD Region with a view to raising the economic and corporate governance levels in that region and, through the promotion of these concepts, enabling the concepts to deepen in Hong Kong and nurturing more talents for the territory" after "sufficient cushion periods"."

**PRESIDENT** (in Cantonese): I now propose the question to you and that is: That Mr Ronny TONG's amendment to Mr WONG Ting-kwong's motion as amended by Mr Howard YOUNG, be passed.

**PRESIDENT** (in Cantonese): I now call upon Mr CHAN Kam-lam to move his amendment to Mr Ronny TONG's amendment.

**MR CHAN KAM-LAM** (in Cantonese): President, I move that Mr Ronny TONG's amendment be amended.

**Mr CHAN Kam-lam moved the following further amendment to Mr Ronny TONG's further amendment: (Translation)**

"To delete "promoting the strengths of Hong Kong, such" after "(n)" and substitute with "strengthening the exchange and co-operation between the two places in such areas"; to delete "the culture of" after "the rule of law and"; to delete "in the PPRD Region" after "corporate governance,"; and to delete "that region and, through the promotion of these concepts, enabling the concepts to deepen in Hong Kong" after "corporate governance levels in" and substitute with "both places and, by doing so, further optimizing the business environment of Hong Kong"."

**PRESIDENT** (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Mr CHAN Kam-lam to Mr Ronny TONG's amendment, be passed.

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

(Members raised their hands)

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

(No hands raised)

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

**PRESIDENT** (in Cantonese): I now put the question to you and that is: That Mr Ronny TONG's amendment as amended by Mr CHAN Kam-lam, to Mr WONG Ting-kwong's motion which has been amended by Mr Howard YOUNG, be passed.

**PRESIDENT** (in Cantonese): Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

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

**PRESIDENT** (in Cantonese): Mr WONG Ting-kwong, you may now reply and you have two minutes 29 seconds.

**MR WONG TING-KWONG** (in Cantonese): President, I thank the 24 Members who have expressed their views earlier, and I thank also Secretary Stephen IP for explaining, on behalf of the Secretary for Commerce, Industry and Technology, the stance of the Administration and the relevant measures. I hope that through this motion debate we can work together to further push ahead the economic development of the Pan-Pearl River Delta Region, so that Hong Kong can have a more flourishing and prosperous future and people can live in peace and work in contentment.

President, I so submit.

**PRESIDENT** (in Cantonese): I now put the question to you and that is: That the motion moved by Mr WONG Ting-kwong, as amended by Mr Howard YOUNG, Mr Ronny TONG and Mr CHAN Kam-lam, be passed. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

Mr James TO rose to claim a division.

**PRESIDENT** (in Cantonese): Mr James TO has claimed a division. The division bell will ring for one minute, after which the division will begin.

**PRESIDENT** (in Cantonese): Will Members please proceed to vote.

**PRESIDENT** (in Cantonese): Will Members please check their votes. If there are no queries, voting shall now stop and the result will be displayed.

Functional Constituencies:

Dr Raymond HO, Dr LUI Ming-wah, Ms Margaret NG, Mr Bernard CHAN, Mrs Sophie LEUNG, Dr Philip WONG, Mr WONG Yung-kan, Mr Howard YOUNG, Ms Miriam LAU, Mr Abraham SHEK, Ms LI Fung-ying, Mr Tommy CHEUNG, Mr Vincent FANG, Mr WONG Kwok-hing, Dr Joseph LEE, Mr Daniel LAM, Mr Jeffrey LAM, Mr Andrew LEUNG, Dr KWOK Ka-ki, Dr Fernando CHEUNG, Mr WONG Ting-kwong, Mr CHIM Pui-chung, Prof Patrick LAU, Mr KWONG Chi-kin and Miss TAM Heung-man voted for the motion as amended.

Mr CHEUNG Man-kwong abstained.

Geographical Constituencies:

Mrs Selina CHOW, Miss CHAN Yuen-han, Mr CHAN Kam-lam, Mr LAU Chin-shek, Mr LAU Kong-wah, Miss CHOY So-yuk, Mr TAM Yiu-chung, Mr Albert CHAN, Mr Frederick FUNG, Ms Audrey EU, Mr LI Kwok-ying, Mr MA Lik, Mr CHEUNG Hok-ming, Mr Ronny TONG and Mr Albert CHENG voted for the motion as amended.

Mr Albert HO, Mr LEE Cheuk-yan, Mr Fred LI, Mr James TO, Mr LEUNG Yiu-chung, Dr YEUNG Sum, Ms Emily LAU and Mr LEE Wing-tat abstained.

THE PRESIDENT, Mrs Rita FAN, did not cast any vote.

THE PRESIDENT announced that among the Members returned by functional constituencies, 26 were present, 25 were in favour of the motion as amended and one abstained; while among the Members returned by geographical constituencies through direct elections, 24 were present, 15 were in favour of the motion as amended and eight abstained. Since the question was agreed by a majority of each of the two groups of Members present, she therefore declared that the motion as amended was carried.

**PRESIDENT** (in Cantonese): Second motion: Assisting people with disabilities in integrating into society.

## **ASSISTING PEOPLE WITH DISABILITIES IN INTEGRATING INTO SOCIETY**

**MR LEUNG YIU-CHUNG** (in Cantonese): President, insofar as motions concerning people with disabilities are concerned, including this year, it is already the fifth time that I have proposed such a motion. A review of the records for the past five years will show that Honourable colleagues from various political parties may not see eye to eye on some of the proposed measures to help people with disabilities integrate into society, such as requesting various public transport operators to offer half-fare concessions, providing assistance in

employment and making adjustments to Comprehensive Social Security Assistance (CSSA) payments or the disability allowance. In particular, the differences over the latter part concerning employment, CSSA payments and the disability allowance are probably quite great.

However, President, there is one point on which Members have reached a consensus somewhat and it is on how to help people with disabilities integrate into society. Members can see eye to eye on this point. In fact, over the past five years, we have seen some Honourable colleagues make many suggestions and they have cited a number of examples. A cursory survey shows that there are examples on the Mainland and overseas, including the underground railway in Shenzhen, which offers half-fare concession to people with disabilities and the examples in Shanghai and Beijing are even more noteworthy in that there is legislation mandating half-fare concession to people with disabilities.

Apart from this, in other countries and regions, for example, in Taipei, a so-called Charity EasyCard is offered and escorts of people with disabilities are also offered the Charity Escort card. In London in the United Kingdom, people with disabilities also receive full subsidies and Freedom passes are offered there. In the United States, the "Disability Act", a law relating to people with disabilities, has come into effect and it is provided therein that utilities companies must offer concessions to people with disabilities.

We can see that in the aforementioned regions, metropolises and countries, it is common to introduce measures on transport concessions. Generally speaking, these measures carry two characteristics: first, in the region or country concerned, legislation is introduced to mandate transport companies to offer fare concessions to people with disabilities and the introduction of improvement measures; second, the Government uses its own funds to subsidize the travelling expenses of people with disabilities. However, our Secretaries, be it Secretary Dr York CHOW or Secretary Dr Sarah LIAO, have in the past four years, and five if this year is included, passed the buck, namely, the issue of how to offer fare concessions to people with disabilities, to utilities companies and request them to deal with it on their own, whereas all that they have done is just to keep encouraging utilities companies to offer fare concessions.

However, President, they have adopted this position of encouragement for more than four years and now, we have entered the fifth year. It turns out that we are marching on the spot and nothing has changed. I do not know how the

two Secretaries look at this but I personally find this most regrettable because in this period of four to five years, our Government has been marching on the spot and it seems no result has been achieved. It is a great shame that Secretary Dr Sarah LIAO is not present today. I wonder if she would weep the way she did when attending the meeting of the Legislative Council for the first time. I wonder if the President still remembers this. At that time, she had been in office as Secretary for less than three months and when answering a question on a relevant subject in a meeting of the Legislative Council, she was so sad that she wept. She said that she had a good friend who died young in a traffic accident and this friend of hers was a person with disability. Therefore, she said she would do her utmost to champion for the rights of such people. However, regrettably, after four to five years, what has she secured for them? President, it turns out that nothing whatsoever has been delivered and there is no progress. For this reason, last year, with the support of other Honourable colleagues in the Legislative Council, I proposed the establishment of a subcommittee to study the transport needs of people with disabilities and the provision of public transport fare concessions to them, with a view to following up this matter. President, this subcommittee has been following up this matter for a whole year and I now find that there is a problem. It turns out that the Government has a new excuse, that is, if concessions were offered to all people with disabilities, it would put great pressure on the companies concerned. Moreover, this may not necessarily be desirable to the public because fares may have to be raised as a result.

However, the Government said that if this kind of concession was not offered to all people with disabilities, it would run the risk of violating the Disability Discrimination Ordinance (DDO). For example, if this kind of concession was offered to disabled people with total incapacity, it would be unfair to other disabled people with 90% or 80% of incapacity and it would also be illegal. Therefore, the Government said that this was improper and it was necessary to study if amendments to the DDO were called for. After the Government has completed the study, it could then consider whether half-fare concession could be offered.

President, when studying this issue, the Government advanced yet another excuse, that is, if the DDO was amended, would people with disabilities and the groups for them raise any objection? If they raised objection, it would put the Government in a very difficult position. Therefore, the Government said that it had to see if groups for people with disabilities really find doing so acceptable. In this manner, it wants to continue to drag its feet.

President, ultimately, the only problem is that the Government wants to procrastinate and it has not taken the problem seriously. President, we have made enquiries with all groups for people with disabilities and they all said that it did not matter. If the Government wants to amend the legislation, they are willing to accept this, provided that all parties can have discussions and the Government must not be allowed to amend it at will, and instead, all parties must reach a consensus. However, the Government is dragging its feet in this way yet again and not the slightest progress has been made. Such a situation has gone on to this very day and still, no conclusion has been reached.

Therefore, President, I am very, very dissatisfied with this approach. How much longer will the procrastination go on before results can be seen? If it is really necessary to amend the DDO, it will not be very difficult to do so because both the Department of Justice and the Equal Opportunities Commission (EOC) have offered advice, saying that it is by no means difficult to make amendments. Why? This is because the amendments can take two forms: one is to amend the provisions of the DDO, and the other is to simply state in Schedule 5 what people are eligible and what people are not; in this way, this matter can be resolved. President, that means if one has the will to do so, this is something that is neither unattainable nor difficult. The question remains whether the Government has the will to do so. Of course, so far, I really cannot see such a will in the Government because even the EOC has come to the Legislative Council a number of times and told us that this task was not difficult. Why has the Government failed to make any progress? Today, if we look at the list of legislation to be amended as provided by the Director of Administration to the Legislative Council, we will find that this piece of legislation is not in it. In other words, we should not hold out any hope that the legislation will be amended this year. President, how much longer do we have to wait?

Therefore, in proposing this motion today, if put in a positive light, of course, it is hoped that we can continue to muster more forces to demand that the Government face this issue. However, in another light, we really want to expose the mendacity of the Government. This is because the person who said in tears in this Council that she wanted to champion for the rights of people with disabilities and do her utmost about this has not come up with any result after five years. How can this do them justice? Therefore, today, although Secretary Dr Sarah LIAO is not present, I want to tell the Secretary again and I wish to trouble Secretary Dr CHOW to convey my request to her that she must do her utmost to get something done for the sake of her deceased friend, so that

her last wishes could be fulfilled and her friends with disabilities can receive greater attention from society.

President, the second part of today's motion has to do with the Rehabus service. In fact, last year, the Secretary cited some evidence to show that improvements had been made to the Rehabus service. For example, the Rehabus fleet had increased from 87 vehicles to 92 vehicles, and there were 59 routes and three feeder routes and measures such as Dial-a-Ride service had been introduced. President, it all sounds very good to learn that the Rehabus fleet has been increased from 87 vehicles to 92 vehicles, however, if Members look more closely, they will find that ever since the first time, that is, in 2002, when I began to request that the Rehabus service be improved, five years have passed. But how many vehicles have been added to the Rehabus fleet? They have increased from 87 vehicles to 92 vehicle nowadays, that is, an increase of seven vehicles and an annual increase of 1.4 Rehabuses on average. Do Members consider this really adequate? President, as there are really a lot of people with disabilities and there are about 290 000 of them, so on average, each vehicle has to serve more than 3 000 people with disabilities. Do Members consider this adequate? President, therefore, the Government is citing figures all the time but if we are prepared to look closely at the figures, they will drive one up the wall, since in the span of four to five years, only seven vehicles have been added to the Rehabus service. May I ask Members if they find this sad or not?

One of the aims of the Rehabus service is to help people with disabilities solve their transport problems. However, it is a great shame that the present situation of the Rehabus service is unsatisfactory and the situation in offering half-fare concession on bus services to people with disabilities is not satisfactory either. That means people with disabilities who want to integrate into society have to face one obstacle after another.

President, when it comes to obstacles, what is the other obstacle? It is unemployment. This is because, as we all know, the employment rate for people with disabilities is very low despite the existence of the DDO. How low is it? So low that among the 270 000 people with disabilities, only 52 000 people can find employment in society, so this figure is really very low. According to the Census and Statistics Department, the unemployment rate for people with disabilities is about 12% and this figure in fact represents a serious situation. In the past, we kept proposing in the legislature that in order to solve

this problem relating to employment rate, it is necessary to introduce a quota system. Unfortunately, the Government's attitude towards a quota system is one of non-acceptance and inaction, and as a result, even the number of people with disabilities employed in the Civil Service is also very low. Among the 154 000 civil service posts, only 3 256 are held by people with disabilities, accounting for 2.1% of the total. Of the 15 700 non-civil service contract staff members, only 265 positions are filled by people with disabilities, accounting for 1.7% of the total, so it can be seen that the figures are really very low. If the numbers of people with disabilities employed by the Government are so low, how can one expect the relevant rate in the private sector to be high? Furthermore, we can see that in 2004, of the 369 subsidized organizations, only 21 had set indicators for the employment of the disabled and they represented 5.6% of the total. Therefore, such a situation is really worrying.

The transport problem in Hong Kong is already an obstacle, so this group of people with disabilities finds it very difficult to integrate into society and it is also difficult to find employment. How are we going to face this group of people with disabilities? In the past, our friends in the social welfare sector estimated that the unemployment rate for the disabled did not stand at only 12%, as the Census and Statistics Department claimed, but was as high as 30%. If this is really the case, I must say with regret that, despite the saying of "Everyone is born with a gift", are we saying that people with disabilities do not have any talent? Do we mean that they are all useless? I believe it is not so. All of them have their own abilities and skills and can also make contribution, so why do we not give them more opportunities?

In fact, several weeks ago, Prof HAWKING's visit to Hong Kong was covered by many newspapers. Although Prof HAWKING is suffering from muscular dystrophy, he had the chance to receive higher education, so his development was different from kids who are suffering from muscular dystrophy in Hong Kong. In addition, the press also covered several cases and some of the people concerned could not find any work after graduating from university and had to idle at home. In Hong Kong, even though some people suffering from muscular dystrophy are university graduates, they have to idle at home. Will such a situation not cause any waste?

President, in view of this, if we want to see more talents like Prof HAWKING emerge in Hong Kong, then more opportunities must be provided to

them. Without opportunities, the talent of a person cannot be developed no matter how great it is. Therefore, if we want to help people with disabilities integrate into society, I propose here that apart from transport, a quota system has also to be put in place to enable them to find work and develop their talents more easily. President, I so submit.

**Mr LEUNG Yiu-chung moved the following motion: (Translation)**

"That this Council expresses deep regret that the government departments concerned, some statutory transport corporations and public transport operators have failed to face up to the motions passed by this Council in the 2002-2003, 2003-2004 and 2005-2006 sessions calling for improvement to transport facilities for people with disabilities and the offer of concessionary fares to them, and this Council requests the Administration to expeditiously adopt effective measures to fulfil the following demands:

- (a) examining the existing legislation and, if necessary, introducing legislative amendments or enacting laws to press various public transport operators to offer public transport half-fare concessions to people with disabilities and improve their facilities in order to reduce the barriers to the disabled, or making reference to overseas experience to provide transport subsidy for them;
- (b) allocating additional resources to expeditiously improve the Rehabus service; and
- (c) according priority to the introduction of a quota system for employing people with disabilities, and encouraging its implementation in the private sector,

so as to enable more people with disabilities to integrate into society, with a view to achieving the objective of "A Society for All" promoted by the Government."

**PRESIDENT** (in Cantonese): I now propose the question to you and that is: That the motion moved by Mr LEUNG Yiu-chung be passed.

**PRESIDENT** (in Cantonese): Two Members will move amendments to this motion. The motion and the two amendments will now be debated together in a joint debate.

I will call upon Mr Tommy CHEUNG to speak first, to be followed by Dr Fernando CHEUNG; but no amendments are to be moved at this stage.

**MR TOMMY CHEUNG** (in Cantonese): The internationally renowned physicist Stephen HAWKING visited Hong Kong some time ago, stirring up a swirl for a while. From what we saw on the television, Stephen HAWKING was always accompanied by a private nurse wherever he went, and there were more people to assist him in all sorts of movement, taking all sorts of trouble. However, not all people with disabilities can enjoy such favourable treatment. On the contrary, very often, it is very inconvenient for them to move around because of their physical disabilities, adversely affecting their work and social life, or even costing them their job opportunities, plunging them deeper into financial difficulties. Coupled with their need for regular follow-up consultation or for escorts when going out, transport fares have thus become a very heavy burden for them.

Therefore, we really need to provide more concessions and convenience to people with disabilities in our transport policy so as to encourage them to integrate into society and give them the opportunity to realize their potentials. The Legislative Council has over and again debated this motion moved by Mr LEUNG Yiu-chung, but upon the passage of the motion, the Government has, for all these years, failed to make clear improvement measures. Though it may sound unpleasing to the ears, it is like a clay ox plunged into the sea, nothing to be heard of again.

The Government says it has provided people with disabilities with disability allowances or CSSA, therefore, it refuses to make commitments in terms of public transport fare concessions. However, public transport operators are worried that if there is not an exact number of people with disabilities, the figure will be too big to bear. Therefore, no progress has been made regarding the policy on concessions for people with disabilities in taking public transport. Today, I will propose this amendment on behalf of the Liberal Party, in the hope of making a breakthrough in this stalemate.

Under the Disability Discrimination Ordinance (DDO), the definition of disability is very wide. Any person who has lost partially some parts of his body, or has had any part deformed, or has in his body organisms capable of causing diseases, for example, AIDS virus and hepatitis, will be categorized as having a disability. Therefore, some public transport operators have estimated that there can be as many as 1.2 million people with disabilities. According to the definition of the "Special Topic Report No. 28", although the scope has been drastically narrowed, the number of beneficiaries still reaches 220 000.

As a result, it is necessary to define clearly who really need fare concessions. For example, should the view of the subcommittee be accepted, taking those who are on disability allowance and have been assessed by doctors to be 100% disabled, or those who are on CSSA and have lost 100% of their ability to make a living as the standard, the number will then be reduced sharply to 95 000.

Moreover, we also have to amend the DDO so that public transport operators who offer concessions only to those people with disabilities in genuine need will not be regarded as discriminatory and violating the law.

The Liberal Party believes that so long as the target of assistance is clear and the obstacles in law are removed, the worries of the public transport operators will be lessened, and when the Government again discusses the offer of half-fare concessions with these operators, fare concessions can be provided to the genuinely needy people with disabilities quicker and more efficiently. If legislation has to be frequently employed to require commercial organizations to provide half-fare concessions, it would be tantamount to introducing legislation to compel commercial organizations to do charities. This is neither feasible nor justified, and will smack of inappropriately meddling with the principle of commercial operation.

In addition, many people with disabilities are in fact disabled but useful, and they possess respective capabilities. It would be a shame if they are not brought into play because of disabilities in their limbs, and it is also unfair to them. Therefore, we have always favoured the idea that all sectors of society should try their best to assist people with disabilities, providing them with suitable jobs. However, if a quota system is made mandatory in recruitment, rigidly requiring companies to employ some people with disabilities to work in their companies regardless of whether there are suitable posts, not only will this be unfair to the other applicants, but also, people with disabilities will be

regarded as burdens by the others, making their acceptance by colleagues difficult.

The quota system will also bring about other problems. For example, the audit department in Britain criticized that law enforcement was very difficult and the administrative cost was also very high, thus failing to really integrate people with disabilities into society. Moreover, there was also criticism that the quota system only deals with recruitment, leaving out discrimination in training and promotion. The British Government finally abolished the quota system in 1995, replacing it with legislation on disability discrimination, requiring that people with disabilities be treated the same in respect of employment and promotion. In Germany, 80% of the employers rather pay than employ a fixed number of people with disabilities, and in France, such employers also account for 54%.

Why are there such situations? This is because the quota system will greatly reduce the flexibility of enterprises' employment policy. Whenever there are changes in the number of employees, a company has to simultaneously take the quota system into consideration for the sake of compliance, and its flexibility is bound to be reduced drastically. Moreover, on the level of actual operation, take the catering and hotel industry in which I am well versed as an example, changes in manpower demand are very big, and very often, scores of temporary staff will be employed depending on the number of banquets. The temporary staff employed will very often only work for a few hours and we cannot say for sure when we need to employ them. If we are required to employ a certain number of people with disabilities, apart from increasing cost, those who are serving the patrons may have to be helped by the patrons instead. This is totally impracticable. Therefore, the Government must make it flexible for employers to try their best to employ suitable people with disabilities, depending on their industry and the actual situation of their companies.

Among award winners of the Outstanding Disabled Employees Award and the Enlightened Employers Award given out by the Selective Placement Division of the Labour Department last year was an advertisement planning company which has employed people who are deaf and dumb to take up design work. Because of their outstanding performance, the employer even makes it clear that unless they resign on their own, they will not be dismissed. Also, there is a company selling soup with half of its employees being people with disabilities. We can see from these examples that so long as employers understand that the merits of people with disabilities are actually no different from those of the

able-bodied, there is really no need to rely on a quota system to impose rigid recruitment requirements. Good performance will be achieved in the end.

To sum up, we have reservations about the introduction of a quota system, but consider that the Government should be encouraged to employ more people with disabilities to serve as an example. The Government should also step up publicity on the merits of employing people with disabilities among employers, or even offer tax concessions and commend those employers who respond actively in order to encourage more employers to employ people with disabilities.

Dr Fernando CHEUNG proposes to provide concessions to escorts who go out with people with disabilities, but we are afraid that this will give rise to a lot of problems in implementation. For example, will the actual amount incurred be very great? Should the concessions be made available to a specific escort? Should he be allowed to enjoy the concessions when he alone is on the way to pick up the person with disabilities? How can the plan be prevented from being abused? All these warrant careful study.

Madam President, I so submit.

**DR FERNANDO CHEUNG** (in Cantonese): President, this is the fifth time this Council discusses a motion on the offer of transport concessions to people with disabilities. I would like to extend my gratitude to Mr LEUNG Yiu-chung for his perseverance in moving a similar motion for five years in a row. I hope this motion can again be passed to lend support to people with disabilities at large and people who care about social justice.

President, it is indeed inconceivable that this question has already been discussed in this Council for five times. It is really ridiculous that this Council has to waste so much time debating such a fundamental issue in an advanced city claiming to be Asia's financial centre and world city. Which advanced society in the world has failed to provide concessions to groups in special needs, such as students, the elderly, and people with disabilities? As we promote integration, we hope to offer concessions to enable these people to overcome their transport or mobility difficulties, so that they can fully participate in society to lead a normal life with dignity. All societies are indeed acting in this manner. As such, I simply cannot understand why the matter remains unsolved after such a long delay.

Actually, there are only three excuses for the prolonged discussion of the question. First, President, the Government has blamed it on legislation. I do not wish to repeat the legislative problems raised by Mr LEUNG Yiu-chung earlier. Furthermore, the Government is now prepared to introduce legislative amendments. However, President, it is really inconceivable that a law preventing discrimination against people with disabilities should prevent us from helping them through public policies. It is imperative for legislative amendments to be introduced, as something like this has happened before. Let us proceed with the amendments. Even the Government has stated that legislative amendments will be made. I hope the Government will deal with the matter expeditiously.

The second excuse concerns the problem with definition. It has been argued that it is extremely difficult to draw up a definition. Without a proper definition, all people may be regarded as people with disabilities. Why is it that overseas countries have managed to come up with a clear definition while we are unable to do so? Furthermore, only the two railway corporations and bus companies are unwilling to offer concessions; the ferry companies have already offered the concessions. What definition has been given by the ferry companies? Why are the ferry companies not afraid of being sued, and why are they not considered breaching the law? This explains why such excuses as legislation, definition, and so on, are superfluous.

Furthermore, we have made a great concession over the issue of definition. According to a proposal raised by me earlier, we can even tell who are regarded as people with disabilities, not to mention the definition. It is very simple to do so. According to the existing mechanism, all recipients of disability allowance should be defined as totally disabled, as the disability allowance system is extremely clear and certification by doctor is required. At present, there are only 95 000 disability allowance recipients and CSSA recipients receiving full-amount disability allowance in Hong Kong. Therefore, not only do we know the number of these recipients, we can also tell their identities and whereabouts. How can it be said that a definition cannot be given? Such an excuse is absolutely ridiculous.

The third excuse is related to commercial decisions. At present, all transport fares are determined by commercial decisions. Fee reductions will therefore cause enormous financial hardships to transport operators, thus bringing losses to both the operators and small shareholders. Even if the

determination of fares is based on commercial decisions, I still wish to discuss how much loss will be incurred. We have made several attempts to ask the Government or transport operators how much loss will be incurred if transport concessions are offered to people with disabilities. Yet, we have been given the reply that no information is available. If that is the case, how can their commercial decisions be made? If no information is available, it means that they suppose losses will be incurred in the absence of information. Is such a concern superfluous? Furthermore, such a commercial decision, so to speak, is made in the context of enormous subsidy by public resources. These transport operators are not only subject to profit control, or profit assurance, they are also offered plenty of land and subsidy in public resources. Are all these purely commercial decisions? Hence, I fully agree with Mr LEUNG Yiu-chung that the Government and transport operators are performing a collaborative show intended to pull wool over the people's eyes.

As regards the issue of escorts, frankly speaking, many advanced countries are not only offering transport concessions to people with disabilities, their escorts are also offered the same concessions simply because some people with disabilities must be accompanied by an escort before they can go out. If transport concessions are offered only to people with disabilities while their escorts have to pay full fares, the transport fares might end up to be quite exorbitant. Mr Tommy CHEUNG pointed out earlier that the proposal could hardly be implemented, for confusion would thus be caused. Actually, the proposal is not at all difficult to implement, for it has been implemented in overseas countries for years. Technically speaking, it is easy to implement the proposal in Hong Kong. Provided that people with disabilities produce medical certificates in the course of applying for disability allowance stating that they need an escort before they can go out, concessions can be offered to their escorts. Of course, we will not offer concessions to all the escorts if a person with disabilities is accompanied by 10 escorts. We only need to offer concessions to one escort, as not too many people require more than one escort to accompany them in going out. Hence, all these issues are not problems.

What impact will be produced on people with disabilities if they are not offered transport concessions? They will then be forced to reject job offers. As pointed out by Mr LEUNG Yiu-chung earlier, the Rehabus service is simply inadequate in meeting the demands. At present, there are only 92 Rehabuses in Hong Kong, with 18 of them having been put into service for nine or 10 years, or even more. Not only is the number of the Rehabuses inadequate, some of them

have started ageing as well. Without Rehabuses, people with disabilities can only opt for public transport. How much will they have to spend on transport? I have recently chatted with some people with disabilities working in sheltered workshops and learned that they work 20 days or so on average per month, five whole days per week, and earn an average of \$400 a month. Given that they earn only \$400 or so a month, it is very likely that they spend more than half of their income on transport, not to mention food. If all their expenses are added up, how much financial significance can they derive from their work? If it is said that they deserve to live with dignity, why can we not offer them a little more concession?

As regards employment, we can see that it is extremely difficult for people with disabilities to seek employment. I do not entirely understand the earlier remark made by Mr Tommy CHEUNG, that patrons of a restaurant employing people with disabilities might conversely need to help the disabled waiters or waitresses. I have never heard anything like this before. Even if this turns out to be true, it is not necessarily wrong. It might not be bad if all people in society can help one another when some people, regardless of their roles, run into difficulty. But why can people with disabilities not work in a restaurant? We have often heard some people say that certain posts are not suitable for people with disabilities. These remarks are entirely absurd and false.

Actually, no post can be said to be unsuitable for people with disabilities. They can even work in a fire station, as not all of them have the same disability. Some of them may be physically capable, only that they have disabilities in other aspects. For some people with mobility disability, they might be completely normal, or even better, in other aspects. Several colleagues have mentioned Stephen HAWKING earlier. In spite of his serious disabilities, he is a great scientist. Can we say that he is not suitable to be a scientist?

In the final analysis, if we do not put in place a system to press society to take the initiative to employ people with disabilities, the actual result will be very poor. These are precisely the common misconceptions mentioned by Mr Tommy CHEUNG about people with disabilities. Judging from the statistics, of all the public bodies, the Hospital Authority is the best performer, with the people with disabilities employed accounting for 1.63% of the total number of its employees in 2004. As for the Airport Authority, the Kowloon-Canton Railway Corporation and the MTR Corporation Limited, the numbers of people with disabilities employed account for 0.1%, 0.07% and 0.6% respectively.

Without a system of incentive, or at least indicators, how can these bodies set an example for the private sector to follow suit?

President, should we fail to offer transport concessions to people with disabilities, or at least implement a voluntary quota system for them, as proposed in my amendment, or improve the Rehabus service and introduce rehabilitation taxis, people with disabilities will continue to face enormous hardships in social integration. President, I support the original motion; however, I have reservations about Mr Tommy CHEUNG's amendment. Thank you.

**MR LAU CHIN-SHEK** (in Cantonese): Assisting people with disabilities in integrating into society is a cause that very much merits our support. Over the past decade or so, this demand has been raised countless times. Although motions on this question have very often been passed, no action has so far been taken by the Government. The Government and public utilities should indeed wake up to such long-standing indifference. Although we can continue to condemn or exert pressure on the Government, the inconvenience and inequity always experienced by people with disabilities will only aggravate if the matter continues to be delayed. How can we help people with disabilities truly integrate into society? We must ponder over this question very carefully.

President, perhaps we can gain some enlightenment from this biblical story about a person with a disability being assisted in integrating into society: A lame man was carried to the temple gate every day to beg for charity from people visiting the temple. One day, Peter and John went up to the temple. The lame man looked at them, as with other people, with great expectation. Unlike other people, Peter and John did not give him any money. The lame man stared at them with great curiosity. Then, Peter said to him, "I have no silver or gold, but what I have, I give to you. In the name of Jesus Christ of Nazareth, stand up and walk!" Then he took the man by the right hand, and lifted him up. The man's feet and ankle bones healed at that very moment. The man jumped here and there, and walked with Peter and John into the temple. He praised God all the way with a spring in his steps.

President, people with disabilities do have expectations of the Government and public utilities. Similarly, like the lame man who waited anxiously every day at the entrance to the temple, people with disabilities have expectations for us too. Undoubtedly, it is the social responsibility of the Government and public

utilities to assist people with disabilities in integrating into society. However, what role should we play? What role should the general public play? Only through the participation of the general public, through our willingness to give, and through mutual acceptance can people with disabilities truly integrate into society.

President, in addition to the Government and public utilities, we may have our share to play a part too. We may request public transport operators to provide transport concessions to people with disabilities and their escorts. If every one of us is willing to share part of the cost, and if we calculate on the basis of 95 000 people with disabilities, each bus or railway commuter will have to pay an extra 10 cents only every day. Coupled with the complementary measures taken by the Government and public utilities, we can definitely make it. The 10 cents, albeit a very small amount, symbolize our commitment, our initiative to give, and our preparedness for community involvement hand-in-hand with people with disabilities.

President, the actions of Peter and John were important, for they had not only the desire of helping people with disabilities. Neither did they leave a few coins and go away. They instead bent forward and reached out to help the lame man rise and walk into the crowd. By the same token, if we are to assist people with disabilities in integrating into society, besides the participation of the Government and public utilities and the devotion of people with disabilities, the willingness of every one of us to take the initiative to give is also crucial. Are we willing to take the initiative to bend forward, reach out, help a lame man rise and walk into the crowd? Are we willing to do more? Are we willing to bear part of the transport concessions? Are we willing to pay an extra 10 cents every day?

By the same token, I support the request for the Government and public utilities to introduce a quota system for employing people with disabilities. However, before the Government can do so, are we willing to create job opportunities for people with disabilities and the chronically ill? If we can do this, can the Government and public utilities continue to watch with folded arms? Let us start with people sitting in this Chamber. While Members continue to promote the enactment of legislation, I know some people sitting in this Chamber are people in charge of different businesses. Have your companies employed people with disabilities? How many employees in the offices of Members who are sitting here are people with disabilities? Let Members begin by acting immediately. Thank you, President.

**MR RONNY TONG** (in Cantonese): To start with, President, I hope to pay tribute to Mr LEUNG Yiu-chung, the mover of the original motion. Since 2002, Mr LEUNG has for five consecutive years moved motions on addressing the transport needs of people with disabilities. His persistence precisely reflects the principle of justice and moral courage this Council is obliged to uphold and manifest. However, despite the support from the majority of colleagues for the motion debates over the five consecutive years (I remember I expressed my hope again in my speech last year that some slight concrete progress could be made), it is regrettable that our work remains stagnant, albeit with the passage of yet another year. The Government's performance is indeed very disappointing.

At present, only the ferry companies provide 30% to half-fare concessions to people with disabilities, and only a handful of green minibus routes offer half-fare concessions. On the contrary, many countries and regions around the world, including our Motherland, Britain, the United States, Japan, India, and the Philippines, have provided transport concessions to people with disabilities. For instance, people with disabilities in Europe are eligible for transport passes. By virtue of the passes, they may travel free on all transport carriers except taxis. In Japan, people with disabilities are not only granted disability allowance, they are also issued with half-fare concessionary documents. The Law for the Protection of People with Disabilities of the Mainland, enacted as early as 1990, specifies that people with disabilities are entitled to protection of their social rights in various aspects. The Law has even specified the provision of free transport facilities to people with disabilities.

However, the Government's progress in promoting the provision of fare concessions to people with disabilities is hardly acceptable. I have looked up the relevant records of the Legislative Council and found that the Government has constantly cited a variety of reasons in different meetings to procrastinate, impede and even reject the introduction of transport concessions to people with disabilities. I have also attended some meetings and heard a government official say that all Hong Kong people are people with disabilities because, to a certain extent, they all have defects, and it is therefore impossible to offer transport concessions to all people with disabilities. President, Honourable colleagues, the Government's arguments are not only unconvincing; they are literally an insult to our intelligence.

The Government has also pointed out that providing transport concessions to certain people with disabilities might violate the Disability Discrimination Ordinance (DDO), thus raising concern about the possibility of litigations among

transport operators. The DDO is meant to help people with disabilities in the sense that people with disabilities should be assisted in better integrating into society. However, it has been turned by the Government into a tool to impede the integration of people with disabilities into society. Such stance and arguments really warrant our condemnation. Perhaps people holding such arguments have not clearly looked at section 50 of the DDO with respect to the part concerning special measures. According to the provision, concessions and differential treatments sought to ensure that persons with a disability have equal opportunities with other persons in a number of areas, including enhancing their capacity to live independently, shall not be deemed unlawful. Therefore, the argument on the possibility of breaching the law is basically untenable. Despite my repeated attempts to explain the spirit of the provision, the Government is still turning a deaf ear to my explanation. Even if the Government is right in thinking that legislative amendments are essential, I believe Members in support of legislative amendments are in the majority. Hence, any misgivings about introducing legislative amendments are unwarranted.

Mr Tommy CHEUNG has earlier mentioned the statistics published by the Census and Statistics Department. As pointed out in the Special Topics Report Number 28, in which people with disabilities and chronic diseases are the subjects of study, there are approximately 300 000 people with disabilities and some 880 000 persons with chronic diseases in Hong Kong. Some people hold that, as these two groups of people add up to 1.2 million, an enormous amount of money will be involved if transport concessions are offered to them. However, if the relevant data is further analysed, Members will easily find that about half of the persons with disabilities and chronic diseases are elderly people over the age of 65 and, coupled with the disabled and chronically-ill children under the age of 15, they already account for half of the total number of persons with disabilities and chronic diseases. As Members are aware, these two groups of people are already eligible for transport concessions. Therefore, the actual figures are not as frightening as what certain people have described. A study on the transport needs of people with disabilities was conducted by the Health, Welfare and Food Bureau earlier. We hope the authorities can expeditiously publish the outcome and data of the study in the hope that they will help the public and this Council to further follow up this question more accurately and objectively.

On the other hand, it has been pointed out by the Government that some public transport operators consider it is the responsibility of the Government to

provide fare concessions to people with disabilities, and they therefore disagree to provide fare concessions to persons with disabilities or chronic diseases. I would like to point out here that public bodies also have their social responsibilities. While they have been granted franchises by the Government to reap handsome profits, they are also obliged to pay back to the disadvantaged groups in need. To provide fare concessions to people with disabilities is conceptually consistent with the current provision of transport concessions to the elderly and students. Why can people with disabilities not be treated in the same manner?

According to the Special Topics Report Number 28, the numbers of persons with disabilities and persons with chronic diseases who are economically active represent only 22.9% and 28.7% respectively. Judging from the employment rates of these two categories of people, they are in dire need of assistance. Furthermore, their income is very low. We can thus see that their financial situations are generally relatively weak and poor. Information has also revealed that most of them live in the remote areas. Meanwhile, there is also evidence showing that they have to pay exorbitant transport fares when going out for work and social functions. Upon comparison, transport fares pose a heavier burden on them than on ordinary people.

Hong Kong is an affluent international metropolis. Public transport operators are obliged to upgrade and improve the standard of transport facilities, and reduce the inconvenience experienced by people with disabilities. The Government should also endeavour to promote and urge relevant organizations to open up channels to enable people with disabilities to jointly monitor and offer valuable opinions (*the buzzer sounded*).....

Thank you, President.

**MR BERNARD CHAN:** Madam President, I think Hong Kong has made some real progress in its treatment of the disabled since the Disability Discrimination Ordinance came into force 10 years ago. But it is also clear that, to many disabled people, Hong Kong is still not an inclusive society.

I hope we are heading in the right direction. I know from my own experience with the Hong Kong Council of Social Service and the Caring Company Award, that awareness is growing.

More and more companies are now reserving some jobs for people with disabilities. There was a time when hardly any company in Hong Kong would ever dream of doing that. I hope that this practice will continue to spread.

I believe the Government is in a unique position to take a lead here. The Government can definitely set an example by hiring disabled people where possible, and showing everyone that such people can and do make very good employees.

I would be in favour of a quota in government departments, provided it was not so high that it would restrict the public sector's choice of workers. If it was set at a sensible level, I think it would be of great publicity value.

A quota for the private sector would not be realistic, but I am sure the Government's efforts in this area would encourage more companies to think more positively about hiring the disabled.

Where access to transport is concerned, the situation is similar. We have made real progress over the years, but we still have a long way to go.

Fare cuts for the disabled are essentially a matter for the transport companies. In effect, transport operators would be asking their other customers to subsidize the disabled ones.

It is understandable that people look to the Government to make more funding available in this area. I think the most important thing is that such funding is targeted where it will do the most good.

For this reason, I cannot really support the idea of extending fare concessions to disabled people's escorts. You could argue why not give concessions to their whole family?

I think the public and the Government would prefer funding in this area to be more focused than that.

Madam President, for the record, I would like to remind you that a similar motion was put forward by the Honourable LEUNG back in 2004. I had voted against it and the main reason was not about the quota system in the government department, but the initiative to change the Comprehensive Social Security

Assistance payment. And I am glad the Honourable LEUNG did not bundle a similar request or any other unreasonable requests to today's motion. Thank you.

**MISS CHAN YUEN-HAN** (in Cantonese): People generally hold the mentality that people with disabilities need assistance, but this is not actually the case. I do not subscribe to this viewpoint. Like you and me, people with disabilities are dignified and aspiring persons. They are no different from the man in the street. I deeply feel that they actually do not require any preferential treatment or assistance. It is most important that there is a platform for social inclusion so that they can engage in fair competition with the able-bodied. I find this very important because I am convinced that every one of us in this world is born to be useful. All people should therefore be given opportunities to bring their capabilities into play in society.

I very much wish to speak for people with disabilities and today, I would focus on the difficulties experienced by them in employment. Of course, I support Mr LEUNG Yiu-chung's proposals on transport, and so on. I also support Dr Fernando CHEUNG's proposed amendment. Nevertheless, I have reservations about Mr Tommy CHEUNG's amendment.

Now I would focus on the provision of assistance to people with disabilities. I am a member of the Panel on Welfare Services. Furthermore, there is a task force in this Council for assisting children with intellectual disability in social integration. Over the past year or so, we have come into contact with a number of parents and young people. How can the young people integrate into society after receiving assistance in their growth process? I find it most important that the Government should provide them with a platform to enable them to compete with able-bodied people and the conditions for social integration. The Government can definitely assume such a role. In my opinion, the Government needs not spend a lot of money. Instead, it has to establish some systems. For instance, the Government should be responsible for introducing transport concessions, as mentioned by Mr LEUNG Yiu-chung earlier. I have been told by some blind people that they have to spend far more on transport than we do. In this respect, the Government has to implement policies to help them. Unfortunately, the Government has absolutely not played its part in helping them. Under such circumstances, we very much hope to have a platform in place. Despite their aspirations to making contribution, they

simply do not have the conditions to make it to the platform. Frankly speaking, if they can rely only on their families, parents or themselves, they will continue to face tremendous hardship in finding the conditions to compete with others.

Most employers probably think that employing people with disabilities will bring them all sorts of trouble. I believe their concept stems from the fact that they have little contact with people with disabilities. If we can reach out to people with disabilities with love in striving to achieve social inclusion — I am convinced that we can change the existing circumstances and involve them in work. I also believe that many of them, including wheelchair-bound people, the visually impaired and children with Down's syndrome, can make it as long as they are given a chance. I once came across a deaf-mute person who worked as a salesperson in a small shop. He was truly wonderful in the sense that he was very smart, though he could not speak. It could be said that he could keep the whole shop under control. We can very often see people like him in our daily life, who have absolutely no problem in communicating with the people living in the neighbourhood.

We have also come across a case in which a voluntary organization in Taiwan operates a bakery for young people with Down's syndrome, who are in charge of everything from dough preparation, cake-making and baking to sales and cleaning. The shop is very popular among the people living in the neighbourhood, and everyone is happy. Members familiar with people with Down's syndrome may be aware that they may occasionally make some noises. However, the situation has been handled very well. This is not unique to Taiwan. The Hong Chi Association in Hong Kong has also operated a western restaurant in which people with Down's syndrome take charge of everything from food preparation to serving, and their performance has been remarkable. Some parents said with great joy that they were proud of their children who initially knew nothing about English but could now communicate with foreigners and take their orders. It is thus said that every one of us can, after being affirmed, prove ourselves to be useful and we can thus naturally bring our vigour into play. As they have more and more contact with other people, their original personality of fearing to meet people will be changed. They will still be very frightened if they are not given the chance to meet people.

We have also seen some examples of shops and offices specifically operated for people with disabilities. Actually, I do not wish to say too much. In my opinion, the question lies in whether or not there is a platform to enable

people with disabilities to integrate and compete with other people. In order to achieve this, numerous horizontal policies must be implemented as complementary measures, such as Rehabuses, transport fares, alternations to offices and services offered in other areas. Without the enactment of legislation as a supportive measure, we can only wait for the kind-hearted in society to give people with disabilities a break. However, this might give rise to two situations: first, the wages offered to people with disabilities will be very low; second, they will be excluded from the job market.

Madam President, the unemployment rate of people with disabilities in Hong Kong is often double that of ordinary people, that is, the present unemployment rate of Hong Kong. For instance, we see that in the third quarter of 2005, the overall unemployment rate was 5.5%, and the unemployment rate of people with disabilities was around 13.2%. Furthermore, as our calculation was based on the overall figures, the plight of people with disabilities had actually been underestimated.

To encourage social acceptance and fair employment of people with disabilities, the Government should start with a quota system for employing these people. As we have already dwelt on this at great length, including the situation in Guangzhou and Taiwan, I do not wish to say too much about it. Some colleagues have also pointed out earlier that information can easily be downloaded from the Internet.

Furthermore, small businesses should be offered exemptions. The Government may offer incentives to encourage small businesses to employ people with disabilities. I believe there are many ways to achieve this if only the Government can seriously consider the methods employed by non-government organizations. I am also convinced that if the Government is determined to make up its mind — in particular, the Secretary should be well versed in the situation, as he used to undertake tasks in this area in the community before he took up the post of Secretary. Such being the case, I think he is qualified to press the Government in providing people with disabilities with a fair, inclusive platform to enable them to compete with us, or providing us with a platform to enable us to work in collaboration with them in society. Madam President, I very much hope that the Government can think twice why it is still reluctant to take a step forward after so many debates.

Madam President, I so submit.

**MS LI FUNG-YING** (in Cantonese): President, the motion of "Assisting people with disabilities in integrating into society" is debated again in the Legislative Council today. Members have different views on measures to assist people with disabilities in integrating into society. But after comparing the previous debates on this subject in the Legislative Council over the years, I found that some of the views are shared by Members. They include urging public transport operators to offer half-fare concessions to people with disabilities, urging public transport operators to improve their facilities for easy access by the disabled and calling on the Government to provide additional resources and improve the Rehabus services. As to whether a quota system for employing people with disabilities should be implemented among government departments and extended to the private sector, like the amendments to the motion today, views are diverse in this Council.

In my speech today, I will mainly focus on proposals unanimously agreed in this Council to help people with disabilities in integrating into society. With regard to offering public transport half-fare concessions to people with disabilities, the Government stressed in its previous responses that it had communicated with various public transport operators and reflected to them the views of Members of the Legislative Council, but I think that the Government is only trying to shirk its responsibilities. Since public transport operators can offer fare concessions to elderly passengers with the senior citizen card, I do not see any technical difficulty for such operators to provide concessions to people with disabilities. The key lies only in whether the Government has the determination to enable the disabled to integrate into society. This is not just a slogan, but the formation of a social value. In Hong Kong, there are a lot of crossings on the pavements and buses of low-floor design. The MTR Corporation Limited and the Kowloon-Canton Railway Corporation have particularly installed lifts to facilitate access by wheelchair-bound passengers. Besides, the arrival announcements on public transport carriers and audio devices at traffic lights for pedestrians are provided for the convenience of the blind. These measures to facilitate access by the disabled are only superficial, and there is still a long way to go before a social value can be formed to encourage people with disabilities to integrate into society.

President, the low-floor design of buses, for example, is meant to facilitate access by wheelchair-bound persons but the bus management culture does not welcome wheelchair-bound persons travelling by bus because when there is one more wheelchair-bound passenger, it means that the bus driver has to spend a

longer time at the bus stop helping the wheelchair-bound passenger to board or alight from the bus and as a result, the bus trip is likely to take a longer time than that required for each trip as stipulated by the company. Objectively speaking, this will put greater pressure on bus drivers and this is obviously indicative of incompatibility between hardware and software, which will only discourage bus drivers from assisting wheelchair-bound persons to travel by bus.

When I spoke on similar motions on previous occasions, I suggested retrofitting a meter to record the use of the low floor on buses, so that the bus driver can be appropriately given some allowance in terms of time to make up for the time spent on operating the low floor. At a glance, this may be a trivial matter but I think that these trivialities are most important to the formation of a culture of integration. We can issue senior citizen cards to elderly citizens over 65 years of age to encourage the provision of concessions to the elderly in both public and private sectors. Why can we not issue registration cards to people with disabilities, so that priority can be accorded to them in the use of public services while encouraging participation from the private sector? At present, one of the reasons why public transport operators are reluctant to provide travel concessions to people with disabilities is that it is difficult to define people with disabilities. But if registration cards can be issued by the Government, it can be a solution to the problem with the definition of people with disabilities.

President, the insufficiency of Rehabus service has become a regular topic of discussion in this Council. This Council has more than once called on the Government to face up to the insufficient Rehabus service and provide a matching transport subsidy to people with disabilities who cannot be provided with the service, but the Government has turned a deaf ear to this proposal. Now that a merger of the two railway corporations will be effected very soon, and the relevant bill has also been tabled to the Legislative Council for scrutiny. To show that the Government has the sincerity to achieve the objective of building a society for all, I hope that through the forthcoming merger of the two railway corporations, the Government, being the biggest shareholder of the two railway corporations, can provide concessions to people with disabilities when they travel on the two railways.

To help people with disabilities integrate into society, transport measures are just part of the solution. The Government started the review of rehabilitation schemes in Hong Kong last year, and according to the original

timetable, the result of the review is scheduled for submission to the panel of this Council for discussion in June this year but it has now been deferred to the first quarter of next year. President, there will be the Chief Executive Election in the first quarter of next year. I hope that the result of the review to be published then can truly provide assistance to people with disabilities, so that a society for all will not be rendered a slogan only.

Thank you, President.

**DR JOSEPH LEE** (in Cantonese): Madam President, for five years in a row, we have been proposing a motion on fighting for the interests of the disabled. What is the reason for discussing this very motion topic so many times in the legislature? I believe this can prove that over all these years, the Government has never paid any proper attention to the transportation and employment needs of persons with disabilities. Actually, the greatest problem faced by persons with disabilities in their daily life relates to exorbitant transportation fares. Persons with disabilities have fewer transport options when compared with the general able-bodied, and in many cases, they must switch from one mode of transport to another before they can get to their destinations. What is more, the incomes of persons with disabilities are generally lower than those of the able-bodied, which explains why they must spend a greater proportion of their incomes on transportation when compared with normal people. Consequently, exorbitant transportation fares constitute the greatest obstacle faced by persons with disabilities who want to go out for various activities and employment. In order to alleviate the difficulties faced by persons with disabilities in the course of integrating into community life, and for the sake of encouraging them to join the workforce as well, persons with disabilities must be offered half-fare concessions on all modes of public transport. That way, when they are no longer hard-pressed by any particular financial burden, they will enjoy equal opportunities of integrating into society and making contribution.

Many public transport operators refuse to offer fare concessions to persons with disabilities on the ground that the definition of disabilities is vague and it is impossible to estimate the number of such people in Hong Kong. Frankly speaking, I think the considerations and concerns of all these public transport operators are more about financial issues than about any other matters. Many public transport operators in Hong Kong, including the KCRC, KMB, NWFB and Citybus, have each been making billions of profits year after year.

According to the statistics for 2001 supplied by the Government and also the documents of the Department of Health, there are some 270 000 people with disabilities in Hong Kong, constituting less than 4% of our total population. That being the case, the fare concessions under request are simply insignificant when compared with the enormous profits reaped by all these transport operators. I fail to see why they should refuse to offer such concessions.

Another point is that it is not at all difficult to calculate the number of persons with disabilities. The reason is that since 1999, the Health, Welfare and Food Bureau has been issuing registration cards to people with disabilities to provide the holders with documentary proof of their disabilities. And, since July 2005, the Bureau has also been issuing new registration cards with improved anti-forgery features as a means of identifying people with disabilities for the receipt of fare concessions. It can thus be seen that the crux of the problem is actually the willingness or otherwise of public transport operators to offer any fare concessions to people with disabilities, rather than any difficulties in defining such persons.

Earlier on, the Government put forward a proposal to the Subcommittee to Study the Transport Needs of and Provision of Concessionary Public Transport Fares for Persons with Disabilities. It was proposed to offer fare concessions to persons with disabilities under a "carer scheme". This in effect means the provision of fare concessions to people accompanying persons with disabilities using any modes of public transport. Although it is highly unlikely that the proposed fare concession scheme will contravene the Disability Discrimination Ordinance (Cap. 487), it will nonetheless fail to completely cater for the needs of people with disabilities. Persons with disabilities living alone, for example, may often be excluded from the scheme. Besides, such a measure will also result in unfairness and run counter to the aim of enabling persons with disabilities to integrate into society. And, it is also expected that it will be very difficult to assess whether a person with disabilities must require any company when using modes of public transport. I therefore do not support such a measure.

In order to build a barrier-free society with equality for people with disabilities, any fare concession schemes should cover all categories of such persons. I agree that we should speed up the provision of fare concessions to persons with disabilities. Recipients of the disability allowance and those who have lost their earning capacity totally should first be offered fare concessions.

Following this, proposals should be made regarding other categories of people with disabilities. The Government should refrain from delaying any further delay, so as not to keep people with disabilities waiting indefinitely. If necessary, the Government should amend the Disability Discrimination Ordinance (DDO) to provide that the phased provision of fare concessions to selected categories of persons with disabilities shall not contravene the DDO.

As for improvements to the transport facilities for people with disabilities, yes, it must be admitted that the KMB, NWFB and other bus companies have already introduced buses with floors designed to assist such persons in boarding and alighting. But we can observe that in the case of other modes of public transport, such as the KCR and the MTR, the designs of platforms still cause much inconvenience to persons with disabilities. I think the Government must make stronger efforts in supervision, so as to realize the concept of "Transport for All" and facilitate the further integration of persons with disabilities into society.

Madam President, when it comes to Rehabuses, it must be admitted, as mentioned by some Members, that there has indeed been an increase in the size of the bus fleet. But we must bear in mind that only 92 buses are deployed to operate as many as 60 Rehabus routes every day. After doing some simple calculations, we will see that on average, each person with disabilities will just be able to use such service less than three times a year. How can this cater for their demand for Rehabus service and help them integrate into society or even find a job? The Government should make a greater effort in this and invest more resources.

Concerning the adoption of an employment quota for people with disabilities, I must point out that although these persons in Hong Kong are already protected against any discrimination under the existing DDO, the DDO itself cannot increase their employment opportunities. The unemployment rate of persons with disabilities has remained at 12% or so all the time. Even those who are under employment must often put up with long working hours and low wages. This is not desirable. As the largest employer in Hong Kong, the Government should set an example and take the lead in formulating a set of indicators for employing persons with disabilities. The employment of different categories of persons with disabilities and the numbers involved should be set down, so as to encourage all public-sector and private-sector organizations and large enterprises in Hong Kong to take on persons with disabilities.

Madam President, all policies connected with persons with disabilities should be formulated from the perspective of enabling them to enjoy equal opportunities. For this reason, there is nothing wrong with assisting persons with disabilities in integrating into society by offering them fare concessions and improving the transport facilities for them. If persons with disabilities simply cannot overcome the most basic problem of transportation, how can they be encouraged to stand on their own feet? Therefore, I hope that this year, the Government can respond concretely to the transport and employment demands of persons with disabilities. I hope that it can really do something for them, instead of procrastinating any further. If not, a similar motion may be moved yet again in this Chamber next year.

Thank you, Madam President.

**MR ALBERT HO** (in Cantonese): Madam President, as far as my memory goes, this is already the fourth or at least the third time that I speak on this motion topic in this legislature.

After looking up the relevant records, we find that a motion requesting the Government to provide persons with disabilities with public transport fare concessions was passed by the Legislative Council in as many as three Legislative Sessions — 2002-2003, 2003-2004 and also 2006. Madam President, I suppose you must know very clearly that it is very, very difficult to pass a motion in the Legislative Council. As long as a handful of Members negative a motion with a majority vote in one of the two groups of Members, the motion will not be passed. But the motion under discussion was passed several times by the Legislative Council. Can we actually find many other similar motions? Why does the Government refuse to respect, accept and implement such a motion, which was passed several times despite all the difficulties?

Moreover, this motion is not about anything unreasonable. It is often said that Hong Kong is a world city. But when it comes to such policies, policies on caring for the disadvantaged, the Government will invariably refuse to bring us on a par with other world cities. Actually, in a world city, this should be a policy principle. In many countries — Canada, the United States, Australia, Taiwan and even the Mainland, as mentioned by Members just now — there are similar policies on this. Fare concessions, whether provided for by way of legislation or public policies or through co-operation with enterprises, are

offered in all these countries to persons with disabilities — definitions of such persons may differ, but there is always a definition in each case. With such concessions, persons with disabilities in these countries can overcome the plight of social ostracism, and they will not be barred by exorbitant transport fares from integrating into society. Why has Hong Kong still failed to bring itself on a par with the world? Such a failure makes us both ashamed and indignant.

Madam President, the Government has all long claimed that there are many technical difficulties. In that case, it should be best for us to come up with a clear consensus today. I hope the Government can even endorse this consensus, confirming that instead of focusing any more on the desirability or otherwise of this policy, discussions should concentrate on how the policy can be implemented. I hope the Secretary can make this point very clear — the policy is desirable, and the only problem is how it should be implemented.

Speaking of actual implementation, I want to say that the Government must stop using legal and technical problems as excuses. It must stop saying that the whole situation is not clear, that it is difficult to draw up a definition, and that the actual number of people with disabilities cannot be known. Instead, it should tell us how we can make a start. Naturally, I understand that different definitions may lead to different results. If we adopt the definition under the existing legislation on banning discrimination against persons with disabilities, we may be talking about 100 000 people or even more. If a narrower definition is adopted to confine the scope to disabled persons having difficulties in using modes of public transport, especially people with physical disabilities, the number may be smaller. But whatever the case may be, what we want to see is the immediate implementation of the policy. In other words, we must make a start now. I hope the Secretary can tell us what definitions he will find acceptable. This must be done immediately.

Besides, I also find it very hard to understand why anyone should ever argue that if fare concessions are offered to only some persons with disabilities (especially the physically handicapped), others not covered by this definition, such as chronic patients, that is, those who are regarded as disabled in the broader sense, may sue the Government for discrimination. I cannot quite understand why such a problem should arise. Even so, however, some Honourable colleagues have already pointed out that we would be happy to learn of any amendments from the Government as soon as possible, provided that they all think that a reasonable start has been made. I believe what we want to see

are just results and concrete outcomes. After making a start, we can always consider whether there is any room for improvement in the future.

Madam President, if the Government insists on saying that it is difficult to enact any legislation to regulate public-sector organizations, I will ask it, "Is it really necessary to enact any legislation?" I do have doubts about this. I do not think that it is absolutely necessary to do so. But I believe if the Government really formulates a policy, many public enterprises in Hong Kong will render their support, because there are many ways in which the Government can make them do so. The railway merger legislation is under discussion, and I believe that the Government can certainly do something with the operating agreement to make them provide fare concessions. The Government has been providing many public-sector organizations with fuel duty exemption or discounts. This is also something that can add to the Government's bargaining power. Therefore, I hope that the Government can stop using technical problems as an excuse from now on, so that this policy, which is supported so strongly in this legislature, will not be prevented from taking the very important first step that can benefit people with disabilities.

I very much agree with Dr Fernando CHEUNG that consideration should be given to providing fare concessions to carers of persons with disabilities. However, I also think that we should make a start first. This is acceptable. Other matters can be considered later. But we cannot accept any policy that puts up indefinite delay.

As for employment opportunities for persons with disabilities, I think the Government should be more progressive and consider the adoption of quotas under the egalitarian policies in advanced countries. Admittedly, it will be very difficult to enact any legislation to require all organizations to do so. But the Government and public-sector organizations can certainly set an example. I think that this will be conducive to fostering harmony in society, and those suffering from poverty because of their physical disabilities will thus be able to integrate into society as early as possible.

Thank you, Madam President.

**MR LI KWOK-YING** (in Cantonese): Madam President, despite their physical handicaps, persons with disabilities are mentally sound. Like the able-bodied,

they also need to live a normal social life. However, owing to their congenital defects and the constraints imposed by the outside environment, it is not easy for persons with disabilities to integrate into society. Transport and employment arrangements are the preconditions for disabled persons' social integration and achieving the objective of "A Society for All". However, after the passage of so many years, we are still unable to solve all these problems completely, thus hindering disabled persons' progress of social integration and adversely affecting the building of a harmonious society. I therefore sincerely hope that the motion today can once again arouse the authorities' concern about the problems and prompt them to work out solutions early.

Actually, in order to enable persons with disabilities to integrate into society, we must realize that they must first be enabled to leave their homes before they can ever get in touch with society. Some may be very puzzled at hearing this. The reason is that in the case of ordinary people, whenever they want to go out, they can easily get to their desired destinations simply by taking any modes of transport. Getting around will not therefore pose any difficulties or obstacles to them.

However, persons with disabilities, especially those with no earning ability who must rely on the disability allowance or CSSA provided by the Government, are not as lucky and happy as we are. Exorbitant transport fares, difficulties in accessing transport modes for ordinary people and the shortage of Rehabuses are the main obstacles preventing them from getting around. But there is a most puzzling question. Most major means of transport like the MTR and buses have long since been offering fare concessions to people with no earning ability, such as the elderly and children. Persons with disabilities also have financial difficulties, but why are they denied equal treatment? Some argue that the provision of fare concessions to persons with disabilities will produce negative impacts on the finances of public transport operators. But then, why are so many transport operators in both advanced and developing countries able to offer fare concessions to persons with disabilities and even their escorts?

The problems with transport arrangements, services and fares are all the obstacles that must be removed in the course of disabled persons' integration into society. In a way, they are rather like those people who do not want to live and work in remote areas due to the heavy burden of transport fares. Disabled persons will find the burden even heavier, for they cannot get about easily. If the authorities do not want persons with disabilities to become another group of

hermits, they should promptly review the existing legislation and require all public transport operators to provide fare concessions to them.

Promoting the employment of persons with disabilities is another major method of helping them integrate into society. In a society where the able-bodied are in the majority, persons with disabilities are often plunged into a vulnerable position and easily marginalized. And, owing to their physical handicaps, they are often looked down upon and discriminated against. Employers are just normal people, so they also have a misunderstanding about persons with disabilities, thinking that they must be less competent, that working with them will be very troublesome, and that huge sums of money must be spent on providing them with suitable equipment and altering the workplace. All such prejudice against and misunderstanding about persons with disabilities have plunged them into various difficulties when seeking employment. If one able-bodied person and a disabled person who are equally competent apply for the same job, the employer will naturally want to take on the former, so as to avoid any unnecessary trouble.

Since persons with disabilities generally have fewer employment opportunities than the able-bodied, we must really assist them in getting more breaks in employment. The introduction of an employment quota for persons with disabilities is actually one of the workable measures. This means specifying the number of persons with disabilities whom an enterprise must employ. As a matter of fact, such a quota system is nothing new in the employment market. It has long since been a widespread practice in the world, in countries such as Japan, Taiwan and even mainland China. In order to set a good example for all employers in Hong Kong, the authorities should take the lead in implementing an employment quota system for people with disabilities, so as to ensure a certain proportion of such employees in the entire Civil Service. Following this, the quota system should be extended to private-sector organizations.

Of course, we will not require all enterprises to implement the quota system. But we may study the experience of other countries and require the implementation of the quota system only in enterprises of a certain scale. This is a very progressive move, one which can satisfy the employment demand of people with disabilities without adversely affecting the operation of enterprises. Frankly speaking, how can there be any operational difficulties when an enterprise employing more than 100 workers is required to take on only a couple of persons with disabilities?

To give the matter its fair deal, enabling persons with disabilities to earn a living is not the only purpose of our efforts to improve the employment prospects for them. There is actually another purpose of more profound significance. If these persons cannot find any jobs and must rely on government assistance all the time, society's prejudice against them will only increase. People will think that they are all parasites of society. In that case, how can persons with disabilities stand on their own feet and face themselves and society at large? If they cannot find any jobs, how can they bring their abilities into play and eliminate the social misunderstanding about their competence?

In conclusion, it must be said that our care for people with disabilities, whether in terms of transport or employment, is lagging far behind the international community. If the authorities do not promptly change the existing policy, we will only move farther away from the ultimate objective of building a harmonious society.

Madam President, I so submit.

**MR LEE CHEUK-YAN** (in Cantonese): I am very grateful to Mr LEUNG Yiu-chung for moving this motion for the fifth time. Secretary, I very much hope that Mr LEUNG will not move this motion next year because his doing so yet again next year will mean that the problem has not yet be solved.

On this particular question, there has long since been a consensus in this Council. There are no voices of opposition in society either, and even the Government says that it is not opposed to the motion. But even in the case of such a question, they have still failed to do a good job, so I must ask, "How much longer do they want to delay the matter?" I hope that the Secretary can give us some better news in his reply this time around, instead of giving us the same old answer. President, I have all along been very disappointed. Every year, the Government says that it will do something. But it invariably fails to achieve any results eventually.

I observe that Secretary Dr York CHOW, Secretary Dr Sarah LIAO and public transport operators have been doing triangular passes with world-class soccer skills, much to our bewilderment. From the Health, Welfare and Food Bureau, the ball is passed to Sarah LIAO, who in turns says that she will negotiate with the operators. Having received the ball from Sarah LIAO,

however, the operators then pass the ball back to Secretary Dr York CHOW. Why do operators pass the ball back to Secretary Dr York CHOW? Because they say they want to know who will benefit. They argue that there are so many people in Hong Kong. As mentioned by Mr Ronny TONG just now, the Government once told us that since disabilities of varying degrees can be found in anyone, there may be some 1.2 million persons with disabilities in Hong Kong. Operators therefore ask what they can possibly do when there is no exact figure. In this way, operators pass the ball back to Secretary Dr York CHOW. Then after a brief observation of the situation, Secretary Dr York CHOW suddenly passes the ball across the pitch to the Equal Opportunities Commission (EOC). Why does he pass the ball to the EOC? Because a sudden development has cropped up. It is suddenly argued by the EOC or the Department of Justice that the selection of a group of disabled persons for fare concessions will contravene the Disability Discrimination Ordinance. In this way, an ordinance originally intended to help people with disabilities is turned into one which does harm to them, one which hinders their struggle for rights and benefits.

Well, we can live with this anyway. But the point is that having received the ball and offered its legal advice, the EOC passes the ball to Secretary Dr York CHOW yet again, asking him what should be done. In the end, the Health, Welfare and Food Bureau says that it will amend the ordinance. This is fine, and it seems that the problem can be solved by introducing legislative amendments. Legislative amendments can solve the legal problems, but then Secretary Dr York CHOW passes the ball back to the operators again. In the end, the operators return the ball back to Secretary Dr York CHOW, asking him for the exact number of people.

By now, we can already answer the question on the number of people involved. President, Members have actually made a concession, limiting the number to merely 95 000. This is actually the number of people in receipt of disability allowance and CSSA for people with disabilities. There are in total 95 000 people only. This is already a very small figure. But although we have cut the number to this level, the passing of the ball still continues. Having reached this stage, we must answer another question, the question of who should meet the expenditure to be incurred. The transport operators suddenly argue that this is actually a welfare policy of the Government, and they are responsible for transport issues only. So, they say that they will be responsible for matters related to the transport facilities for people with disabilities, but fare concessions

should have nothing to do with them. In this way, they pass the ball back to Secretary Dr York CHOW again, arguing that the matter is related to government welfare. But then, the Health, Welfare and Food Bureau say that they are prepared to do the computations required and for this reason, the transport operators should also give some thoughts to the matter. As a result, they pass the ball back to Sarah LIAO, who in turn passes it to the operators again. Members will find all this very complicated. Even I myself find the whole thing very boring, because they have all been passing the ball here and there. But we must forget one point, President. Sometimes, Sarah LIAO is just passing the ball from her left foot to her right, because she is the major shareholder, also a director, of the two railway corporations. Therefore, when the Environment, Transport and Works Bureau passes the ball to the two railway corporations, it is simply passing it from its left foot to its right. Why is it impossible for her to do it all by herself?

Well, the matter has dragged on for so long to the present stage. I very much hope that the Secretary can give a more positive reply today. Will the problem be solved within this year, within this Legislative Session, within the 2006-2007 Session? I must ask this question because the only outstanding problem is the negotiation between the Government and operators.

President, there is a subcommittee under the Legislative Council with sole responsibility for discussing the provision of fare concessions to persons with disabilities. The subcommittee is currently waiting for the completion of the Government's survey. I believe a figure has come out of the survey and it is about time to call a meeting. The survey may come up with a figure that can reflect the increase in operating costs resulting from the provision of half-fare concession. I am sure that the figure will be very small. Come to think about this. There are just 950 000 people, but the daily ridership of the MTR alone is already 2 million passenger trips. This means that the increase in operating costs is bound to be very small. If the increase is so small, can we solve the problem of who should pay for the fare concessions? According to Mr LAU Chin-shek, everyone will just have to pay 10 cents on average. But I do not think that we need to pay 10 cents. I suppose we may each have to pay 1 cent only. But there is one problem. During one of the discussions I took part in, one operator proposed that they be allowed to increase fares and shift the costs to passengers. But the Transport Department refused, saying that the costs should not be shifted to passengers. Therefore, even such a 10-cent scheme will have to obtain the approval of the authorities before it can be implemented.

Two years ago, when the Secretary attended a Legislative Council meeting for the first time, he was faced with precisely this topic. I wish to remind him of the very good point he made at that time. He said that if people with disabilities could access normal means of transport, their productivity would increase; they would be able to work more smoothly; and, they could also participate in cultural and leisure activities, thus making society happier and livelier. This was what he said two years ago. I hope that he can really make society happier and livelier by solving this problem as early as possible.

President, the deaf-mute people outside this building today have taught me how to say the following in sign language: "Half-fare concession. Fire him, that is, Bow-tie, if the Government refuses." I hope that it will not be necessary to do so. Thank you, President.

**MR WONG KWOK-HING** (in Cantonese): Before the commencement of the meeting today, a group of persons with disabilities lay on the ground in Chater Garden, forming the two Chinese characters standing for "half-fare" to show their determination of getting half-fare concessions. In sign language, they said, "Solidarity in our struggle." Also in sign language, they said, "Despite all difficulties, we shall not back down." Secretary, you are not a person with disabilities. But I am talking to you in the sign language used by people with disabilities, in the hope that you can realize their determination and anguish. Secretary, you must give a serious reply.

I have actually prepared a script, but after attending their rally today, I have decided not to use it. I have even used pictures to explain my point, so I hope that if the Secretary cannot understand any spoken and written words, the pictures can help him do so. At the rally of the disabled today, I commented that despite their disabilities, persons with disabilities were not incapable. They have now come forward to inform the Government and the Secretary of "Hong Kong's disabilities". Why do they think that Hong Kong is full of disabilities? President, one reason is that the Government has eyes that cannot see, failing to note the plight of persons with disabilities. It also has ears that are sealed. It cannot hear these people's demand for half-fare concessions, for its ears are sealed. The Government has a mouth but no heart. It has a mouth but no heart for the people with disabilities.

"Hong Kong's disabilities" are manifested in five ways. The first symptom, as mentioned by some Members just now, is that the Legislative

Council has moved this motion five times and there has always been unanimous support for it, but the Government has never listened to us. Why does the Government refuse to implement the motion? This is the first symptom.

As for the second symptom, I must first point out that a subcommittee was set up as soon as this current Legislative Council came into being. I have been a member of this subcommittee. In the past 12 months, this subcommittee convened six meetings and the two Secretaries were both invited to attend the meetings. But none of them turned up. They have been "passing the ball around" and employing a "Tai Chi" tactic. The Health, Welfare and Food Bureau passes the problem to the Environment, Transport and Works Bureau, which in turn passes it back to the former. I do not know why Secretary Dr Sarah LIAO is not invited to attend the meeting today. If she had been invited, the two Secretaries could simply shift the responsibility to each other. I do not know whether Secretary Dr York CHOW would shift the responsibility to Secretary Dr Sarah LIAO.

There is also the third symptom. People with disabilities request the two railway corporations to provide them with half-fare concessions, but the Government says that other transport operators must operate according to market principles. Commercial organizations can refuse, but in the case of the MTRCL and KCRC, the Government is the sole owner of the former and the largest shareholder of the latter. How can the Government still refuse? What excuse can it offer? Earlier today, in Chater Garden, I talked to a person who was knocked down by a car five years ago. The third and fifth segments of his spinal chord were injured and he has been paralysed. He must be looked after by his wife. Every month, he receives \$3,500 in CSSA plus the disability allowance. The money he receives is all paid by taxpayers and the Government. Why does the Government still refuse to let them have half-fare concessions? With half-fare concessions, the Government's burden will be relieved, right? The Government must be disabled somehow. If not, why does it refuse even such a reasonable request? I do not think that this is sensible at all.

The fourth symptom is that during the discussions, the Government has been putting up delay by turning to the Disability Discrimination Ordinance. This is indeed very puzzling. I think this is very "weird". The Government has even gone so far as to delay the introduction of half-fare concession for people with disabilities by turning to this Ordinance. How can it do something like this?

Finally, let me talk about the fifth symptom. It can be said that the Mainland is still a developing country, but Hong Kong ranks top in many areas worldwide. However, it has still refused to offer half-fare concessions to people with disabilities. We may look at other advanced countries such as Britain, the United States and Japan. They also provide such concessions. Why should Hong Kong be an exception? Therefore, President, the problem lies not with the people with disabilities but with our own Government, with our society. Our society has simply fallen ill.

Therefore, through the President, I wish to call upon the Government to show its concern and appreciate the plight of the people with disabilities. This morning, when I saw them petition in the Chater Garden, some in wheelchairs and others on crutches, I could not help sobbing. They all lay on the ground and formed with their bodies the two Chinese characters standing for "half-fare concessions". Our Government often talks about care and justice. Can it still remain indifferent? I therefore hope that the Secretary can stop citing various excuses. The Government must set a good example as soon as possible and demonstrate to the Legislative Council with concrete actions that it has taken on board Members' opinions and will introduce half-fare concessions on the MTR and KCR immediately. That way, it can induce other transport operators to follow suit. Once the Government has set a good example, other transport operators will certainly follow suit. But if the Government sets a "bad" example, no one will do anything. Therefore, whether from the perspective of justice or that of humanitarian considerations, the Government must discharge its responsibility towards people with disabilities.

President, for this reason, I have quickly sketched my second script, a pictorial one. This is about a Hong Kong which is physically sound, a Hong Kong having good eyes and ears. Such a Hong Kong can laugh, because it has a loving heart. I hope that our Government can really have a heart for people with disabilities. The Government must show that it has a loving heart; it must not conceal its loving heart. It must do something good and solve the problem immediately. Actually, their request is very humble. Why should the Government still refuse? President, I have used sign language and even pictures in my speech today. I very much hope that I can move the Government and turn its unfeeling heart into a loving heart. I hope that it can offer half-fare concessions to people with disabilities as early as possible, or even immediately.

**MS MIRIAM LAU** (in Cantonese): Madam President, this Council has actually reached a consensus on assisting people with disabilities in integrating into

society, and all of us are very supportive of it. A subcommittee has even been set up in this Council to look into ways to provide public transport fare concessions to them. There are mainly two points at issue: One is the question of resources, and the other the definition of people with disabilities. These two points are mutually influential and inextricably linked.

In fact, public transport operators are willing to fulfil their social responsibilities as they have actively provided various facilities to people with disabilities in line with the concept of "Transport for All", with a view to providing a barrier-free environment for people with disabilities when they travel on public transport as far as possible. As regards providing fare concessions to people with disabilities, many operators have expressed reservations about it because if people with disabilities eligible for fare concessions are too broadly defined, it might create enormous financial pressure on the operators, but if the definition is narrowed and concessions are provided selectively, it might lead to legal proceedings about breach of the Disability Discrimination Ordinance (DDO).

To address this problem, the subcommittee of this Council proposed that fare concessions should first be provided to recipients of disability allowance and CSSA with a total loss of earning capacity, and the number of people involved is about 95 000. According to this definition, the Government and transport operators can roughly work out the resources required. At present, it is most important to amend the DDO, so that operators can lawfully provide concessions to people with disabilities in genuine need.

However, even if we have defined the groups of people with disabilities who can benefit from concessionary fares and hence eliminated the barriers in law, it is still necessary to solve the problem of where the money will come from. Taking care of people with disabilities involves the welfare policies of the community as a whole. Hong Kong is, after all, a city practising the system of a free economy. If legislation is enacted to urge and force businesses or transport companies operating on commercial principles to shoulder social responsibilities, it would be unfair to them and violates the principle of free economy.

Issues relating to the transport needs of people with disabilities, especially those relating to concessionary fares, often involve not only transport policies, but also welfare policies. Many colleagues are right in pointing out that

transport fare concession is provided to people with disabilities in many places overseas. But we must clearly understand that the concessions provided in these countries are normally subsidized by their governments. In fact, the railway and major transport services in overseas countries are mostly operated or funded by the government. On the contrary, transport services in Hong Kong are provided by operators on commercial principles without subsidies from the public coffers. Therefore, when we call on public transport operators to fulfil their social responsibilities, we should also call on the Government to fulfil its responsibilities. To address the problem of the Government and public transport operators passing the buck to each other insofar as resources are concerned, Mr LAU Chin-shek proposed earlier that the public should share part of the cost and that is, each passenger should pay 10 cents more. At the meetings of the subcommittee of this Council, some transport operators did put forward a similar proposal of increasing the fare by 10 cents per trip, but the proposal was not supported by Members. I think Mr LAU Chin-shek's proposal can indeed help solve the problem. Therefore, I very much hope that Members can discuss this calmly and with patience, so as to ascertain whether this is feasible.

Madam President, given that it takes time to provide additional facilities or make alterations to the existing facilities, or to replace vehicles or ferries, it is impossible for Hong Kong to set up a completely barrier-free public transport system in a short time. Even if a barrier-free public transport system is put in place, it does not mean that all people with disabilities can have access to it. This is why many people with disabilities must rely on Rehabuses. However, the Rehabus service cannot meet the present demand at all.

To address this problem, the Liberal Party has time and again suggested to the Government that the existing policies be changed by subsidizing people with disabilities to travel by taxi. In fact, in many places overseas, people with disabilities are also subsidized by the government to travel by taxi. In New Zealand, for instance, there is the Total Mobility Scheme under which the Government provides discount vouchers to people with disabilities for them to travel by taxi. In Hong Kong, a similar scheme of discount vouchers was also implemented on a pilot basis but the Government, after reviewing the scheme, considered the scheme not feasible because, for example, complaints were received from the taxi trade and the formalities for redeeming the discount vouchers were too cumbersome. However, we consider that as long as proper arrangements can be made, this proposal is actually still feasible. The

Government should not have given it up easily because of the unsatisfactory arrangements, which subsequently precluded full participation from the taxi trade. Rather, the Government should identify ways to perfect the entire scheme.

Certainly, it requires the support of the taxi trade to make the scheme a success. Last year, some taxi operators introduced "caring taxis" by making alterations to the taxi doors and the backseat, in order to facilitate access by the disabled. As far as I know, the demand for these "caring taxis" often exceeds the supply, because there are only some 20 such taxis. But due to the absence of a sound funding scheme provided by the Government, the taxi operators dare not introduce more of these taxis lightly.

We believe that if the proposal to subsidize people with disabilities to travel by taxi is implemented properly, it can firstly, ease the burden on the Rehabus service and hence allow more room for improvement of the existing services and secondly, it can provide the disabled with an option of transport arrangement with greater flexibility. Moreover, this could even enable the Government to save the resources for purchasing Rehabuses, so that the authorities can have greater financial capacity to provide assistance to other disadvantaged groups.

Madam President, I so submit.

**MR CHEUNG HOK-MING** (in Cantonese): Madam President, this is the fourth or fifth time that Mr LEUNG Yiu-chung has proposed a similar motion in this Council. The DAB has all along supported the provision of fare concessions by public transport operators. The reason is that many people with disabilities belong to the low-income group and as transport fares are very expensive now, they are forced to minimize the occasions of going out, thus indirectly reducing the opportunities for their integration into society, and this is against the principle of "A society for all". Over the years, the DAB has often received many letters from people with disabilities, asking us to help them fight for concessionary fares. It shows that there has been such a demand for many years, and the Government must not drag its feet on this issue any longer.

Although a subcommittee was set up last year to follow up this issue, which has given some hope to finding a solution, it is actually most discouraging

to find out that there has never been an accurate definition of "people with disabilities". According to the rough estimate of the Census and Statistics Department, as many as over 1.2 million people may be involved, and this has become a pretext for transport operators to put up strong opposition to providing such concession. Moreover, given that only some people with disabilities will be able to enjoy the fare concessions, this is, therefore, against the Disability Discrimination Ordinance (DDO), which may result in legal proceedings. An ordinance intended to protect their interest has nevertheless become a major obstacle to people with disabilities in striving for their benefits.

At present, the Government has set out to look into the amendment of the DDO. But owing to the complicated procedures, the amendment of the DDO may not be completed in a short time. However, what is most worrying to me is this question: After the amendment of the DDO, will the transport operators be genuinely willing to offer concessions to people with disabilities?

Madam President, in fact, the alliance of people with disabilities has already made the biggest concession by agreeing that concessionary fares should first be offered to recipients of disability allowance and CSSA with a total loss of earning capacity. But at many meetings of the subcommittee, the transport operators invariably stressed that they operated on commercial principles and that the provision of concessions to people with disabilities should be a welfare provision by the Government. They have never made any undertaking to provide concessions after the amendment of the DDO.

Transport operators have always linked business viability with fare concessions. But we do not see this link in reality. For instance, we can see that the New World First Ferry Services Limited suffers a loss every year and the company even recorded a loss of \$3.5 million last year but it has still offered half-fare concessions to people with disabilities. On the contrary, major public transport carriers, including the MTR Corporation Limited (MTRCL), Kowloon-Canton Railway Corporation (KCRC) and bus operators, make huge profits every year but while they are rolling in money with the annual profit reaching as much as hundreds of million dollars, they still insist on not to provide concessions.

Madam President, the Government provides assistance to transport operators either directly or indirectly by, for instance, subsidizing the MTRCL through property development projects and exempting bus companies from the

payment of diesel duty. These are major factors contributing to the handsome profits made by transport operators annually. Nevertheless, these transport operators have turned a blind eye even to this simple demand of people with disabilities for half-fare concessions, and this is most unreasonable. They even hold that we are holding them to ransom and pushing them to the wall.

Madam President, we do appreciate that transport operators operate on commercial principles but as their business is transport services essential to the living of the people, they should shoulder their social responsibilities. On the other hand, the provision of fare concessions to people with disabilities is, in fact, also a duty of the Government, an unshirkable duty of the Government.

Therefore, in the context of the Budget last year, the DAB put forward a proposal suggesting tripartite responsibility among the Government, enterprises and the public. If half-fare concessions are to be offered to 220 000 people with disabilities, the Government and transport operators will each shoulder a quarter of the fare, while people with disabilities will pay half of the fare. Under this proposal, the Government and transport operators are expected to make an additional commitment of only about \$400 million per annum. We believe that even if this is a *de facto* fare reduction to the transport companies, our proposal can actually attract more people with disabilities to go out more often. In that case, their fare revenue will increase rather than decrease, and the financial pressure on transport operators will then be eased. In fact, being the biggest shareholder of the MTRCL and a Board Member of the KCRC, the Government can absolutely exert its influence by first making the two railway corporations provide fare concessions and then further encouraging other transport operators to follow suit with the ultimate objective that all major public transport operators will provide fare concessions to people with disabilities.

Madam President, in this motion, there is an additional proposal of introducing a quota system for employing people with disabilities. In fact, the DAB has been very concerned about this issue since 2000, and we have proposed to the Government the establishment of a quota system for employing people with disabilities. We propose that the Government, when formulating the relevant policies, must consider the actual situation in foreign countries to ensure that the quota requirements can meet the practical needs of Hong Kong. Moreover, to ensure that the quota system will not adversely affect the operation of the small and medium enterprises, the DAB proposes that the quota system should apply only to companies of a larger scale, or implemented in companies

with over 100 staff members first. Over the past two years, we have continuously proposed the setting up of a quota system for employing people with disabilities only to encourage major enterprises to shoulder their social responsibilities and provide convenience to these people in employment.

Finally, I would like to respond to the two amendments. Dr Fernando CHEUNG's amendment proposes to extend the concessions to the escorts of people with disabilities, and the DAB considers this acceptable. As for Mr Tommy CHEUNG's amendment which seeks mainly to delete the quota system, the DAB considers it unacceptable and so, we will abstain in the vote.

Madam President, I so submit.

**MS AUDREY EU** (in Cantonese): President, as many colleagues have said, we can no longer tell for how many years or how many times this motion has been discussed in this Council. Although a consensus has long been reached in this Council, not even some small progress has been made, and every time we still have to think about a new way to convince the Government.

Recently, the Government has been vigorously promoting inter-sectoral collaboration among the Government, the commercial sector and the public, and it even said that a "dollar for dollar" approach would be adopted for the Child Development Fund, with a view to encouraging investment from the commercial sector. In fact, this motion can also be considered in this direction. Certainly, as we are part of the international community, should we also meet the international standard of corporate social responsibility? In fact, such a standard does exist, as the FTSE4 Good Index Series provide international benchmark indices of corporate social responsibility. This series of indices measure the performance of companies of good corporate social responsibility by giving consideration to three aspects: First, the company must work towards environmental sustainability; second, the company must develop a positive and good relationship with stakeholders; and third, the company must uphold and support human rights.

We can measure the performance of the two railway corporations, the Kowloon Motor Bus, New World First Bus and Citybus according to the FTSE4 Good Index Series, as they claim that they are concerned about corporate social responsibility, that they have formulated guidelines and codes of practice, that

they attach importance to environmental protection and also to their staff and occupational safety, that they have set up teams of volunteer workers, and that they are dedicated to serving the community. However, these are only the first step to fulfil corporate social responsibility, and the second step is to look at whether the care and attention given to the stakeholders are adequate, and whether corporate social responsibility is discharged and whether efforts are made to protect and support the disadvantaged groups.

With regard to caring for people with disabilities, the two railway corporations and the bus companies have addressed the needs of people with mobility problems in the design of their carriers, but are the facilities adequate? We can take a look at a study on transport services for persons with disabilities conducted by the Social Science Research Centre of the University of Hong Kong in 2003-2004 for the joint committee to fight for Rehabus resources, and some of the statistics are worthy of Members' attention:

- (1) 60% of people with disabilities must be escorted when they go out, and as suggested by Dr Fernando CHEUNG, transport subsidies should be provided not only to people with disabilities but also to their escorts;
- (2) People with disabilities must wait for an average of 26.2 minutes for a bus equipped with suitable facilities;
- (3) Close to 30% of people with disabilities considered it very difficult and inconvenient to obtain information on the MTR and buses; and
- (4) Close to 95% of the interviewees considered that the lack of public transport is a major obstacle to them in living or working normally.

This survey is actually proof that people with disabilities must think "thrice" if they wish to travel by public transport. To think "thrice" means that firstly, they do not enjoy concessionary fares and worse still, they must pay double the fare, for they must be escorted; secondly, they have to leave home almost half an hour earlier; and thirdly, even if they wish to go out, it is still very difficult for them to obtain information. Under such circumstances, despite that corresponding measures are taken by public transport, how can we expect people with disabilities to be able to integrate into society after finding a job?

Dr Fernando CHEUNG's amendment urges public transport operators to provide half-fare concessions to people with disabilities and consider extending the concessions to their escorts, while calling on public transport operators to draw up specific plans and timetables for improving their facilities. All these have taken into account the practical needs of people with disabilities in integrating into society.

According to the statistics published by the Social Welfare Department, there were 115 000 disability allowance cases in Hong Kong as at September 2006. Being public enterprises, public transport operators have an unshirkable duty indeed, as they are duty-bound to take care of the stakeholders, uphold and support the rights of people with disabilities to integrate into society, and fulfil their corporate social responsibility by providing concessionary fares to them. It is hoped that they can take the lead and enrich the corporate social responsibility of private enterprises, so that they do not just confine their responsibility to volunteer work, thus truly taking care of such people in their operation and making Hong Kong truly worthy of its reputation as an international metropolis.

Another difference between the amendments is that Mr Tommy CHEUNG's amendment has deleted the part on "a quota system for employing people with disabilities" whereas Dr Fernando CHEUNG's amendment proposes to amend it as "a voluntary quota system", urging government departments and public bodies to implement a quota system voluntarily. I hope that colleagues will support Dr Fernando CHEUNG's amendment. The Civic Party supports Dr Fernando CHEUNG's amendment, but we will abstain in the vote on Mr Tommy CHEUNG's amendment.

Thank you, President.

**MR TAM YIU-CHUNG** (in Cantonese): President, it is a moral obligation of society to assist people with disabilities in integrating into society. This question today has been discussed in this Council many times but we still have to discuss it over and over again. It shows that what the Government has done in this respect is disappointing.

Recently, the Legislative Council Panel on Welfare Services has again discussed the amendment of the existing "Design Manual" for buildings, with a

view to achieving the objective of barrier-free access to meet the needs of the elderly and people with disabilities. The disabled groups and the rehabilitation sector have striven for a review of this basic policy for many years, but the final amendment to the building design can take effect only two to three years later. As regards the amendments to be made to the "Design Manual", the disabled groups and the rehabilitation sector are still dissatisfied with the proposals of the Government in many aspects. From this we can see that the Government has not actively carried out work to assist people with disabilities in integrating into society.

The DAB has all along advocated that half-fare concessions be provided to people with disabilities. At present, except for the offer of half-fare concessions to people with disabilities by the New World First Ferry Services Limited and the Star Ferry Company Limited, full fares are still being charged by the other operators, including various bus companies, the MTRCL and KCRC. These transport operators have flaunted their concern for the community on the one hand but held the purse string tight on the other, refusing to offer any genuine help to people with disabilities. The Government has always been a "toothless tiger", and it is even suspected to be dragging its feet on the relevant work. During the past two years, the Government has put forth a new reason for not providing transport subsidies to people with disabilities, saying that if fare concessions are provided only to certain groups of people with disabilities, it might constitute a breach of the Disability Discrimination Ordinance (DDO). But as we all know, the objective of the DDO is to prevent discrimination against a person on the ground of disability. Why would the DDO become an obstacle to the provision of concessions to people with disabilities? As for the impact on the profit of public transport operators, as long as the Government can set out the scope of the fare concessions, such as confining the concessions to recipients of disability allowance and CSSA with a total loss of earning capacity, the burden on transport operators will not be increase infinitely.

As for the Rehabus service, while we see a continued increase in the daily average patronage of Rehabuses over the last five years, many service calls were not entertained. Last year, there were as many as 6 957 such cases and these unprocessed requests accounted for 12% of the total number of requests. Moreover, many requests for the Rehabus service have to be abolished due to

long waiting time. Therefore, the Government must increase the number of Rehabuses as soon as possible and also introduce and extend the rehab taxi services as an effective means to meet the transport needs of people with disabilities.

In respect of assisting people with disabilities in employment, the DAB has all along advocated setting up a quota system for employing people with disabilities. The Government should implement the policy in four areas: First, an indicator system for employing people with disabilities should be immediately established in government departments, public bodies and government-funded bodies. Second, legislation should be enacted to require enterprises of a certain scale to employ a prescribed percentage of people with disabilities and provide tax concessions to the enterprises accordingly. Third, a fund to encourage employment of people with disabilities should be set up to support the system. An enterprise failing to meet the statutory requirement must pay a sum of money which shall then be deposited in this fund. An enterprise that has taken on more people with disabilities than is required by law can be granted a sum of money from this fund to assist the enterprise in installing necessary facilities for such employees. Fourth, there should be training institutions specifically for people with disabilities, so that the latter can acquire suitable working skills, thereby encouraging them to become self-reliant. To this end, it is necessary to, among other things, consolidate the relevant work of the Labour Department and the Social Welfare Department and implement more on-the-job training measures such as the Work Orientation and Placement Scheme.

"A society for all" is one of the indicators measuring social harmony. At this important juncture when Hong Kong is working hard to build a harmonious society, it is all the more imperative for the Government to actively assist people with disabilities in integrating into society. We hope that the Government can step up the relevant measures in earnest.

I so submit. Thank you, President.

**MR LEUNG KWOK-HUNG** (in Cantonese): The question of whether people with disabilities can enjoy half-fare concessions has, in fact, been discussed for a very long time. I have listened to the response of government officials. Their attitude is weird, as they said that they did not oppose it but there were technical

difficulties, for they did not know what the transport operators would think about it, while the operators said that they did not know how much the subsidy would be and they, therefore, could not make any undertaking. They said that if we could not properly define the groups of people with disabilities who would benefit from the concessions, they were worried that the Equal Opportunities Commission might file lawsuits against them. What should we do?

Tell me, my buddy, will the Government delay anything it wants to do? When Donald TSANG saw that tapping had been ruled unlawful under the Telecommunications Ordinance in Court, was there anything that could hold him up? When the Government lost the case, actions were taken immediately, were they not? When it wanted to rescue the market or to shore up the property market, TUNG Chee-hwa told Donald TSANG to make the announcement immediately and Michael SUEN was then instructed to take enforcement actions, and he was even transferred to a different post for the purpose. All these could be done immediately. Is there anything that the Government cannot do when it wishes to do? I have never heard of any.

This is really a difference in the closeness of relationship. We finally come to realize that when the Government is not too enthusiastic about doing something or when it does not wish to offend the consortiums, it will drag its feet and even stall for as long as five years. This Government never hesitates to do what it considers to be necessary and what it thinks can favour some people or people whom it likes to favour. This is the so-called "strong governance". For example, had Secretary Dr York CHOW conducted any consultation when giving effect to the drug formulary? It was implemented after some brief explanation. Why should it be necessary to wait five years? It seems that there has been less than five years since he took up office as a Bureau Director.

So, if they go on saying that there are problems, that they have misgivings about it, and that the problems have remained unresolved, all this is gibberish. If a government cannot even do its part to promote a caring, harmonious society where justice prevails, it might as well "go home and sleep".

President, I have a "black heart" here with me. It represents the "black heart" of the Government. Not only has the Government a black heart. Even the MTRCL and KCRC may also be involved. The MTRCL, which was constructed in the '70s, is actually "raised" by the Government, and the KCRC is

even wholly-owned by the Government but it outrageously said that it must do some calculation or else subsidies would be necessary. Secretary Dr York CHOW, let me cite a very simple example. When a father has made a charity donation to the Tung Wah Group of Hospitals or to a beggar, will he tell his children back home that they are not going to have pocket money for lunch this week because he had made a charity donation? Certainly not. If he is genuinely sincere in making the donation, he would not seek compensation for the money that he had given out for charity purposes.

What is corporate social responsibility? This is a new concept but in fact, it is a retrogression. Members should not take it as a new concept. It is a step backward in socialist democracy. It is because the delivery of public services which are essential to the people's livelihood should be operated by the Government, so that the consortiums cannot make profit from monopolizing these services and the returns generated can be invested in society for the benefit of society at large. However, the Government is moving one step backward. The social democratic party and labour party have taken one step backward in proposing the concept of social corporate responsibility. So, this is already a retrogression. But although it is one step backward, it is still considered an innovative idea or a good idea by the community of Hong Kong. This is, in fact, saddening to the community of Hong Kong. We are now begging you for it, my buddy, and you are saying no to us even if we are begging you to do it.

The reasons cited by the KCRC and the MTRCL are all the more ridiculous. They are monopolistic. Anyone who has studied economics knows that tunnels, railway services, and so on, are inherently monopolistic, because it is impossible to build another tunnel or railway next to it. If even these inherently monopolistic companies have refused to do charity work, what companies will be in a position to do it? My buddy, with whom are you competing? If the KCRC and MTRCL agreed to reduce their fares whereas buses refused to reduce the fares, passengers would not travel by bus. Am I right, my buddy? Are you refusing to do even this? What you are doing now will dissuade the entire public transport sector from doing charity work. But the unlisted Star Ferry Company Limited, and New World First Ferry which is going to close down soon, are nevertheless providing the concessions; it is going to close down soon anyway. Do Members not think that this community is callous and unsympathetic? People who are making money do not do charity work.

Many of you here are followers of a religion; some even said that they pray. I scolded them, and I asked them what Jesus had done. Jesus told a paralytic to rise. His followers did do this. Have you told the paralytics to rise? You told them to sit there, and said, "Sorry, you have to sit there because we have no money!". Let the lepers continue to suffer from leprosy, because society has no money. What sort of a Catholic is Donald TSANG? Did Jesus not do that? He made the paralytic rise. This is not just empty talk. A person who is genuine in rescuing the lives of others never gives up any person; a person who cherishes resources will never be wasteful.

So, let me tell you this, Secretary Dr York CHOW: This is how you will look later when you rise to speak: You will be wearing sunglasses and so, you cannot see; you will be wearing earplugs and so, you cannot hear. We have told you many times that you must not do this. Let us look at what the Government has done. It simply shuts itself away all the time, exposing only its heart. Members, this question today has been debated for five years in a row — it had been debated even before I became a Member of the Legislative Council. For how many more years will it be discussed? Do we need to send somebody to push a wheelchair into this Council next year to put across the message to you? Do people have to swarm to the MTR to cause congestion? So, I hope that you, Secretary Dr York CHOW, will heed sound advice.

**MR FREDERICK FUNG** (in Cantonese): President, this is the fifth time and the fifth year that Mr LEUNG Yiu-chung proposed a motion to strive for public transport fare concessions for people with disabilities. Even though the motion has been endorsed thrice in the Legislative Council before, the call from people with disabilities for half-fare concessions has never ceased but the Government seems to have attached little importance to these voices and the decision of the Legislative Council.

President, five years are not a short time. The term of the Chief Executive is five years, and many policies of varying degree of importance can be formulated or even completed within a term of five years. But when it comes to transport fare concessions for people with disabilities, why is it that this issue cannot be addressed properly even though it has been discussed for five consecutive years? Is our society too callous and indifferent, or has the Chief Executive failed to live up to the "people-oriented" pledge, for he has only

worked for superficial harmony but turned a blind eye and a deaf ear to the cries for help from the disadvantaged groups in dire straits?

Last year, I already pointed out that public transport is very important to people with disabilities because public transport is the first step for people with disabilities to go out of their home to join society. They must rely on public transport when going out to work or for socializing activities. Moreover, if assistance is provided to the disabled in integrating into society, it can give play to the potentials of people with disabilities and enhance their self-image, and to society, it can provide a new pool of workers to make more contribution to society.

Many people with disabilities need company when going out. In this connection, providing fare concessions to these people as well as their carers can actually encourage more patronage and hence generate benefits for transport operators or society. The transport operators are absolutely in a position to provide fare concessions. According to the interim results published by the MTRCL, it has recently recorded a profit of \$5.1 billion, while the Kowloon Motor Bus Company (1933) Limited made a profit of \$400 million. These public transport operators have made huge profits, but why are they still reluctant to shoulder their corporate social responsibility? Furthermore, why can the Government, being the largest shareholder of the MTRCL, stay aloof from this and join the transport operators in shirking responsibilities?

The Hong Kong Association for Democracy and People's Livelihood (ADPL) and I consider that the Government is duty-bound to urge transport operators to immediately offer fare concessions to people with disabilities, in order to reduce the transport expenses borne by these people. The transport operators are financially capable of taking practical actions to encourage people with disabilities to go out more often to participate in more social affairs, such as taking part in community activities or activities organized by mutual aid committees and volunteer work, so as to build up their self-confidence, and even going out to work to give play to their potentials.

The Transport Department introduced the "Transport for All" concept in 2003. The ADPL and I consider that people with disabilities also have the right to use public transport. The Government and public transport operators must expeditiously respond to the aspiration of people with disabilities by making

improvement to their facilities, including station layout, signage and the broadcasting system, so as to facilitate access of people with disabilities to public transport.

However, given the inadequacies in public transport facilities, the Government must enhance the services provided by Rehabus, which is the major means of transport for people with disabilities by, for instance, introducing more flexibility in the booking of the Rehabus service and abolishing the unreasonable fare for the service. Moreover, some of the facilities of the Rehabus fleet are very dilapidated, for instance, the single-arm tail-lift design has posed dangers to heavy-duty electrical wheelchairs, the height of the back door is not suitable for high back wheelchairs, and the hand rails by the window in the compartment are not properly secured. It is, therefore, necessary for the Government to enhance the safety of the facilities of the Rehabuses.

The quota system for employing people with disabilities is another issue worthy of discussion. Although the Government has used "small government, big market" as a shield for its reluctance to intervene in the market as it considers the quota system a breach of the principle of fair competition, let us look at the current unemployment rate of people with disabilities. According to the statistics of the Census and Statistics Department in 2001, the unemployment rate of people with disabilities was as high as 12%, which was 2.4 times of the general unemployment rate. In fact, the market is not omnipotent, and we need the Government to provide protection to the disadvantaged where necessary, in order to give people with disabilities an opportunity to become self-reliant.

Let us look at the examples in neighbouring places. In Taiwan, the relevant legislation was enacted in the '90s; in Guangzhou, legislation was also enacted six years ago on a quota system for employing people with disabilities. The experiences in these places have reflected that legislation can effectively facilitate the employment of people with disabilities. The social conditions and institutions of Hong Kong are better developed than those in the above two places and so, Hong Kong absolutely have the conditions and ability to assist people with disabilities in employment by implementing a quota system for them. According to a survey in 2004, only 21 of the 369 government-funded bodies and statutory bodies have set indicators for employing people with disabilities. The ADPL urges the Government to draw up effective measures and evaluate the effectiveness of the measures on a regular basis to ensure the right to employment of people with disabilities.

All in all, like other members of the community, people with disabilities are part of Hong Kong. The Administration and various public transport operators have the obligation to fulfill their social responsibility by actively providing support to facilitate the integration of people with disabilities into society, with a view to achieving the policy objective of "a society for all" and working in concert to build a caring city where people support each other.

With these remarks, President, I support the original motion and Dr Fernando CHEUNG's amendment, and I oppose Mr Tommy CHEUNG's amendment.

**DR KWOK KA-KI** (in Cantonese): Madam President, today is the fifth time that Mr LEUNG Yiu-chung proposed a motion on this topic for debate in the Legislative Council. A similar question was debated in the 2002-2003, 2003-2004 and 2005-2006 Sessions, and it was supported by the majority of Members of the Legislative Council. But much to our regret, the Government has remained indifferent no matter how extensively this topic has been discussed. So, I very much appreciate Mr LEUNG Yiu-chung's perseverance and unyielding spirit.

In fact, any person facing a government which is like a stone — I remember an advertisement of the Red Cross calling on the public to give blood and in this advertisement, a person was drilling into a stone. The Government that I can see now is like the stone in this advertisement, in that no matter how many members of the public and how many Members of the Legislative Council have made an appeal, the Government has given no response at all.

Before I came to this meeting today, Mr LEUNG Yiu-chung and I had actually joined some representatives of people with disabilities in an action taken in Chater Garden, and I had very deep feelings. It is because they had lain on the road only to strive for half-fare concessions. I think it is actually very difficult for them because every person has a sense of pride. People with disabilities have their sense of pride too. They have to stage a petition over and over again and put forward their demand over and over again, feeling so aggrieved and resentful, only because they want fair treatment.

Mr LEUNG Yiu-chung and I as well as many friends have more than once launched campaigns at the Airport Railway station to repeatedly urge public

bodies including the MTRCL to provide half-fare concessions to people with disabilities. However, the response given to us every time was that the Government sought to pass the buck to public bodies whereas public bodies attempted to shirk their responsibilities by saying that they must operate on commercial principles. Now, it is even more favourable to them, because the MTRCL is already listed and after its acquisition of the KCRC in future, they can permanently use shareholders' interest as the pretext for refusing to provide concessions.

But as we all know, the Government is the major — the largest shareholder of the two railway corporations. If the Government fails to set an example by demonstrating to the community how people with disabilities can be assisted and how they can be given a fair environment, something that the Government is most expected to do, that is, if even the Government refuses to play this role, who is going to do it? Should we ask business enterprises, such as the two bus companies, to play this role? Sometimes, I think that it is very difficult for them to do so because the objective of their business operation is actually to make profits. The Government has nevertheless given up the basic role expected of it, and it is not willing even to set an example.

In fact, Secretary Dr York CHOW should not be the only official listening to this motion debate in this Council today. But I do not know where the Bureau Director responsible for transport policies is, as I do not see her in this Chamber. In fact, I know that this issue was revisited in the recent discussion on a merger of the two railway corporations. This should be the best time but again, they were trying to pass the buck to each other. Madam President, the two railway corporations had tried to pass the buck to the Government while the Government was also trying to pass the buck to the two railway corporations. I believe progress in this respect will remain stagnant and nothing would be achieved even upon completion of the deliberation of the bill.

In fact, it should not be too difficult to convince Secretary Dr York CHOW to draw up appropriate policies for people with disabilities, because I know that Secretary Dr CHOW has taken part in many activities organized for the assistance of people with disabilities over the years, including the work of the Paralympics in which he has engaged for many years. This motion today does not ask the Government to hand out alms or to make donations. In fact, their request now is most reasonable. These people with disabilities are not asking for money. Nor are they asking for a higher CSSA payment. However, the

Government said every time that assistance in terms of money and by way of CSSA had been provided. We are not asking for this. We are not asking for this kind of assistance. In fact, we hope that fare concessions can be provided to people with disabilities through a policy, in order to enable them to integrate into society and provide an easier environment to them whether for work, for social life or for participation in other social activities.

In fact, recently, in the Comprehensive and Integral International Convention on the protection and promotion of the rights and dignity of persons with disabilities adopted at the United Nations meeting from 14 to 25 August 2006, it is clearly written under Article 9(1) that States Parties shall ensure to persons with disabilities access, on an equal basis with others, to the physical environment, to transportation, to information and communications, with the objective of eliminating all obstacles and barriers. It also mentions the need to ensure that private entities that offer facilities and services which are open or provided to the public take into account all aspects of accessibility for persons with disabilities, with a view to creating an environment without obstacles and barriers. It is clearly written that all governments should implement measures to this end. But if we look at the Government of the Hong Kong Special Administrative Region, we can see that it is very different from other countries where the government has a part to play in their public transport and mass carrier systems. Our Government has not in the least given any consideration to this at all.

Secondly, with regard to the need to introduce a quota system for employing people with disabilities mentioned by Mr LEUNG Yiu-chung and especially in Dr Fernando CHEUNG's amendment, I do share their feelings. In the Government, 2% of the employees are people with disabilities according to past information. The Secretary may say later that the Government has been doing a very good job in this respect and so, there is not any problem. But please take a look at the so-called public bodies. It shamed me at learning about the relevant statistics. In the Hospital Authority, it was 0.97% in 2002 and 1.63% in 2004, which can be considered a small progress; the figure remained at 0.1% over a period of three years in the Airport Authority; in the KCRC, it stood at 0.07% for the three years between 2002 and 2004; in the MTRCL, it was 0.6%; and only one in the seven universities has records on the employment of people with disabilities and it has taken on four such employees over the past three years. All these figures are a disgrace to us. These public bodies are funded by public coffers, and they are either wholly or partly funded by the

Government. We have been putting up with this situation but it is no longer tolerable. I hope that we can do more than just endorsing this motion. The Government must do something in pursuance of the motion.

With these remarks, I support Dr Fernando CHEUNG's amendment and the original motion. Thank you, Madam President.

**MISS TAM HEUNG-MAN** (in Cantonese): Madam President, first of all, I thank Mr LEUNG Yiu-chung for his perseverance in proposing again a motion on assisting people with disabilities in integrating into society. But I have a wish. I wish that this is our last debate on this motion. I also hope that the Secretary can do something in this regard, so that in future, we do not have to further worry about it or put forward our demand. Today, I will speak mainly on the provision of fare concessions to people with disabilities and the introduction of a quota system for employing people with disabilities.

As far as I understand it, many transport operators refuse to offer fare concessions to the disabled mainly because they think that their fare revenue may be affected. However, I think this worry is unwarranted. First, the number of people with disabilities eligible for fare concessions is predictable. Second, the provision of fare concessions can attract patronage by people with disabilities. Besides, many public transport operators are making profit every year. The MTRCL, for instance, already made a profit of \$5.1 billion in the first half of the year and so, it should fulfil its social responsibility by providing fare concessions.

On the provision of half-fare concessions to people with disabilities, I think we can first offer the concessions to people who are completely disabled and eligible for disability allowance. This is an objective criterion. It can resolve the controversies over the definition of disability and also provide concrete statistics to transport operators for them to work out the additional cost to be incurred from providing the concessions, hence reducing the uncertainties.

According to the statistics of the Social Welfare Department, there are now about 115 000 recipients of disability allowance. The number is, therefore, capped and the statistics are transparent. The transport operators can absolutely afford and work out the possible implications of fare concessions on their profit.

Many people with disabilities have reflected that as their income is less than that of the able-bodied, they can only reduce the number of times of going out because of expensive transport fares. If transport operators can offer fare concessions to them, I believe people with disabilities will take public transport more often and the loss in fare revenue incurred by transport operators as a result of the fare concessions can hopefully be reduced.

Madam President, next, I would like to express my views on putting in place a quota system for employing people with disabilities. I think that there is simply no reason for the community, especially the business sector, to oppose the setting up of this system because there are indeed too many examples and overseas experience worthy of our reference.

I have studied and worked in Britain before, and I have lived there for 16 years. In Britain, there is a quota system for employing people with disabilities and so, I do not find it strange to see companies employing people with disabilities. From my personal observation, I think people with disabilities can also perform very well at work. I think this system should be put in place as a social welfare policy in every developed territory.

In 1995, I returned to Hong Kong, and the absence of such a system in Hong Kong did strike me as strange. Why, in this international metropolis of Hong Kong, there is no such system to assist the disabled in integrating into society? We must understand that to enable people with disabilities to integrate into society, it is impossible to rely only on social welfare, for it is also necessary to give them an opportunity to stand on their own feet and to contribute to society.

Let me share with Members a personal experience. One of my assistants is a person with disabilities. I decided to offer him the job, for I felt that he was quite suitable for the job and so, I gave him the opportunity, and he has shown very good performance. I have made some arrangements for him in relation to his work, so that his performance can meet the standards of my Member's Office, and his disability has not affected his work performance. From this experience, I appreciate that the employment of people with disabilities will not affect corporate efficiency.

However, I understand that many employers do not have any personal experience like mine and so, they still have different concerns about employing

people with disabilities. Putting in place a quota system for employing people with disabilities will enable employers to gain this experience to a certain extent, so that more employers will understand that the working capacity of people with disabilities cannot be neglected.

Today, as we are discussing the need to establish a quota system for employing people with disabilities, Britain as well as some European and American countries are already discussing whether this system should be abolished. They are thinking about abolishing the system not because the system is unsuccessful, and they are not backtracking either. On the contrary, it is because this system is so successful that all the employers take on people with disabilities on merit naturally, equally and fairly even without this system. For how long must Hong Kong wait before this day will come?

Specifically, the Government can consider the practices adopted in overseas countries and set indicators to require companies with over 50 or 100 employees to take on people with disabilities whose number should account for 2% of the total number of employees. Meanwhile, the Government should also provide auxiliary aids to people with disabilities or the relevant allowances.

A quota system for employing people with disabilities should not be taken as a permanent system. Rather, it should be considered a transitional measure to take society forward in the equal and open direction. If we cannot understand the ability of people with disabilities through actual, practical experiences, how many people will, like me, feel assured in employing people with disabilities willingly?

Madam President, people with disabilities are part of society, and their integration into society will require policy support in various aspects including education, employment, transport and social welfare. I hope that various Policy Bureaux of the Government can actively take follow-up actions.

Thank you, Madam President.

**MS EMILY LAU** (in Cantonese): President, I speak in support of Mr LEUNG Yiu-chung's motion and Dr Fernando CHEUNG's amendment.

President, in fact, many colleagues have already spoken a lot. I do not have much to add, but I still wish to say a few words because the problem is very

serious. Mr LEUNG Yiu-chung is very good, for he has persisted in proposing this motion for debate over the years, but this year, it may not turn out in a way as predicted by Dr KWOK Ka-ki who said that the motion would certainly be endorsed, because the motion may face the crisis of being negated this year. Things would be even worse if it is negated and if that happened, people can then say that the motion, though endorsed for many years, has failed to achieve anything and worse still, it is even voted down this year. If the motion is voted down, things would be easier for the Secretary, right? That is, it would be easier for the Secretary not to do anything. Whenever I speak of the Secretary, I feel very disappointed because the Secretary has consistently done a lot in this respect — he had been doing so before he took office as a Bureau Director, and he may have continued with the relevant work after taking office as a Bureau Director. But, to date, no progress has been made in this respect and this is very disappointing.

Besides, while Hong Kong is a world city in Asia, many practices adopted here nevertheless compare less favourably with those in other countries. President, the Bills Committee on Rail Merger Bill held a meeting yesterday, and as many colleagues said earlier, I think Members may really have to consider proposing an amendment to the Bill to include the stipulation that..... I do not know whether or not it will be endorsed because there are many controversies over the Bill now. Many people are strongly opposed to it and some people are talking about a 10% increase or decrease, but all these are entirely incomprehensible. So, if it cannot be endorsed, everything would come to naught.

If the Second Reading debate can be resumed on the Bill and if it stands a chance of passage, should an amendment be proposed to require the merged corporation to provide concessions to people with disabilities? I agree with many colleagues that this is not purely commercial consideration, because the Government has provided a lot of land as subsidy and so, this is not a corporation purely engaging in commercial activities. I think if this Council has long reached a consensus on this issue over the years but if the authorities can completely ignore the consensus reached in this Council over and over again, then I think it would really be very difficult for us to get along with each other.

After all, we are elected by the people. But by whom are the authorities elected? Moreover, we do not think that this is something very difficult to achieve. Dr Fernando CHEUNG has staged protests and processions in the

MTR over and over again, and I think that people with disabilities have waited for too long and they have become very impatient. So, it is really necessary to continue with the discussion on the Bill. As pointed out by the President, we are here to debate a motion with no legislative effect, which means that everything we said here is just empty talk. Now, there is a Bill under our scrutiny and if there is enough support, I think we can start from the Bill. But if the authorities can appreciate the need to do it, I certainly hope that the authorities can put forth a proposal on its own initiative. Article 74 of the Basic Law is not my concern, and legal proceedings are also ongoing now, but I think that Members should have the right to propose amendments. But insofar as the policy and principle are concerned, I hope that the authorities will not be so obstinate. Other countries have done this too. As many colleagues have said, why are we so backward? In fact, our MTR is among the best in the world, and this is a point that I must admit, but many members of the public cannot enjoy it.

Furthermore, why may this motion today not be endorsed? President, as far as I know, it is because of the quota system. In fact, we are not asking for legislation on a quota system. We are only asking the Government to accord priority to implementing a quota system for employing people with disabilities and encourage the private sector to do the same. Is this really so unacceptable? I do not wish to see Mr LEUNG Yiu-chung's motion and the amendments to it all negated today, for this would put across a very bad message. Over the years, although Members do not see eye to eye with the authorities, the motion could still be endorsed and this could convey a message to society, that the Legislative Council is supportive of it. But if this motion ends in a complete failure today for whatever reason or due to misunderstandings or whatever, the people who protested in Chater Garden today and their family members would be even more saddened, and their next step would be even more difficult. But the next step — there is no option now; President, the next stop is: See you in the Bills Committee. I so submit.

**MR ALAN LEONG** (in Cantonese): Madam President, today, the Legislative Council debates a motion on the policy to assist people with disabilities in integrating into society. But to truly achieve the objective of "integration into society", apart from improving transport measures to reduce the barriers to people with disabilities and providing fare concessions to encourage their participation in community activities, it is also necessary to draw up measures to assist people with disabilities in joining the labour market, so that they can give play to their talents and contribute to serving the community.

It is an indisputable fact that it is more difficult for people with disabilities to find a job than their able-bodied counterparts. According to the Report No. 28 published by the Census and Statistics Department in 2001, the unemployment rate of people with disabilities was 12%, whereas the general unemployment rate then was only 5%. In other words, the unemployment rate of people with disabilities was 2.4 times of the general unemployment rate at that time. If we use the 5.5% general unemployment rate in the third quarter of 2005 for calculation, the current unemployment rate of people with disabilities is likely to be around 13.2%. People with disabilities are always the most marginalized group in the labour market, and their role is one of "first out, last in". In times of economic doldrums, they are the first to be fired and when the economy has gradually picked up, they are the last to be considered in employment.

Madam President, the high unemployment rate of people with disabilities is to a very large extent due to employers' lack of confidence in their ability to work. They are worried that employing these people will affect work efficiency, and we often hear of cases about employers immediately cancelling a job interview on learning that the applicant is a person with disabilities. If they do not even have the opportunity to attend an interview, how can their ability be assessed? It is often due to misunderstanding and prejudice on the part of employers that employers do not consider employing people with disabilities.

The measures taken by the Government to promote the employment of people with disabilities are lagging behind. Many countries, such as Germany, France, Poland, Italy, Japan and Taiwan, have put in place an employment quota system, requiring companies with a certain size of staff to take on a certain percentage of people with disabilities. The Government can make reference to the more flexible practices adopted in Japan. In Japan, different percentages are worked out according to the job types and nature of companies. For instance, the percentage of people with disabilities employed for clerical posts in public bodies is 2%, whereas that in general private firms is 1.6%. Besides, corresponding incentives are also implemented in Japan to support the employment quota system. A company taking on more disabled employees than the specified quota will be granted a government allowance for each disabled employee exceeding the quota as a reward. The Government also provides financial assistance to the company for people with disabilities to purchase aids and take part in on-the-job training, with a view to improving their work efficiency.

Madam President, considering that the community may not have sufficient knowledge of the quota system for employing people with disabilities, the Government can consider withholding the full implementation of the system for the time being but implementing it in a gradual and orderly manner. At the present stage, a voluntary quota system can be implemented in government departments and public bodies, requiring the departments to set reasonable indicators according to the nature of work and report annually to the public on the employment of people with disabilities and the assessment of the effectiveness of the indicators for public monitoring. This can serve the purpose of public education and set an example while at the same time encourage the private sector to follow suit.

Madam President, to implement the relevant measures, the Government must clearly define the various degree of disability, so as to determine the degree and types of disability to be covered by the quota system. Moreover, efforts should be made to step up vocational training for people with disabilities, with a view to upgrading their job skills.

The Government should not refuse to introduce a quota system for employing people with disabilities on the pretext of "fair competition" anymore, turning a blind eye to the fact that it is more difficult for these people to find a job than the able-bodied. For people with disabilities who have the ability to work, what they lack is an opportunity, and an employment quota system will give them the opportunity to become self-reliant and prove to the community that they have the ability to work. The Government is indeed duty-bound to introduce an employment quota system and draw up measures to encourage the business sector to follow suit.

Madam President, providing employment opportunities to people with disabilities is an important step in assisting people with disabilities in integrating into society, but the public's attitude towards these people and their readiness to accept them is the key factor to their successful integration into society. Only when a culture that readily accepts and respects people with disabilities without prejudice and discrimination can be developed in the community, especially in the work environment, will people with disabilities truly integrate into society. Only in this way can they stand a much higher chance in doing so.

Madam President, I so submit.

**DR YEUNG SUM** (in Cantonese): Madam President, I speak in support of Mr LEUNG Yiu-chung's motion. As many colleagues have said, this is the fifth time that this motion is proposed.

Some colleagues have misgivings about whether the Secretary is aware of the situation of people with disabilities. But as he has been engaged in promoting activities for people with disabilities over the years, he can actually be considered an expert in this respect. I think the Secretary has a very good understanding of the situation of people with disabilities.

But let us look at the Government's policy on rehabilitation now. Basically, it lays much stress on helping people with disabilities to integrate into society and providing them with equal opportunities in society. An anti-discrimination ordinance was enacted before 1997 and the Equal Opportunities Commission was established. A major area of work specially targets at discrimination against people with disabilities. So, at a recent meeting of the Panel on Welfare Services when we discussed the Government's building design manual, I, on behalf of the Democratic Party, particularly emphasized that the Government should enact legislation as soon as possible to require new buildings to provide barrier-free access for people with disabilities. For instance, tactile guide paths leading to escalators can be provided, or audible devices can be fitted at escalators. At present, many people with disabilities who are wheelchair-bound have to use the goods lifts which are always difficult to locate, or there may be goods or unpleasant odour inside the lifts. People with disabilities are human beings too, and they have their basic dignity. Moreover, it has been the Government's policy to give people with disabilities equal opportunities to encourage their integration into the community, but they are outrageously bound to use the goods lifts. Indeed, this is basically a blemish of society, a gross irony to the vow of providing equal opportunities to people with disabilities.

So, I hope that the Secretary can table the relevant legislation to this Council as soon as possible because if legislation can be enacted earlier, new buildings can then be fully governed by the legislation. Otherwise, buildings that were built before the enactment of legislation may often be exempted because of the grandfather provisions. So, a barrier-free access is extremely necessary.

Secretary, the second point that I wish to make is that today, many colleagues have expressed great concern about people with disabilities and they

have, therefore, proposed some amendments to the motion to put forward a number of demands. After talking to some colleagues, I found that some of them support only two of the five demands, and some do not support the third and the fourth points. So, I reckon that this motion and the amendments may all be negated. But Secretary, please do not get the wrong message, for this reflected that our colleagues are actually very concerned about people with disabilities. The Secretary should have listened very clearly to our consensus. He has been very hardworking, for he has all along been sitting in this Chamber. He does not even have an assistant beside him, and he just sits here alone listening to us. On the transport front, our consensus is very clear, and according to what I have learnt from Members' speeches, basically our view relating to public transport is already very clear. So, can the two railway corporations give society a break after the merger? Can this opportunity be seized to request the two railway corporations to provide concessions to people with disabilities?

I heard Secretary Dr Sarah LIAO say that it was difficult to estimate the number of people with disabilities. This is laughable indeed. Secretary, you are responsible for welfare matters, and you should understand only too well that there is the Disability Allowance (DA) under Comprehensive Social Security Assistance (CSSA). Just take a look at these 90 000-odd cases and we can find out where these people are and also about their disabilities. Moreover, under the DA there is the distinction between Higher DA and Normal DA, and medical certification is required. Secretary, you certainly know this very well, as you have been in the medical profession for such a long time. The Higher DA payment is granted only with the support of medical proof on the severity of disability. So, it is very easy to find these people and even the degree of disability, and there is also medical proof. So, the Government can start from this. Certainly, the Secretary said that since it was impossible to work out the figure, the two railway corporations were very concerned about the impact on their business. But if we can start in a more humble way by looking at recipients of CSSA and retrieve the information on those 90 000-odd seriously disabled recipients of the Higher DA, this could already be a very good beginning. I think other means of transport will also follow suit when this approach is made known to them. I have risen to speak especially on this point in the hope that the Secretary can carry out work in this regard. If people with disabilities cannot easily access public transport, how can they integrate into society? How can they enjoy equal opportunities?

I have made two points so far. The first is about access, and it is best to provide barrier-free access. Second, it is about transport, that is, the provision of fare concessions. In fact, many people with disabilities do not wish to receive CSSA. Nor do they wish to seek assistance from the Government. They wish to find a job. But if it is so inconvenient for them to travel by public transport or if they have to bear such a heavy burden, this would deal a hard blow to them.

The third point is to earn a living, that is, employment. I understand that many colleagues, especially colleagues of the Liberal Party, are strongly opposed to enacting legislation on a quota for employing people with disabilities. We in the Democratic Party have over the years placed great emphasis on a quota system for employing people with disabilities to enable them to enjoy equal opportunities on the one hand and to show the importance that we attach to positive discrimination or affirmative action on the other. As these people basically have some degree of disability, even if they have no intellectual disability, their physical disability may still render them disadvantaged when they compete with able-bodied persons. So, if we do not have special regard to the rights of these people in the minority and protect them through legislation, from our experiences over the years, it will be very difficult for them to seek employment, not necessarily because the employer would refuse to give them any opportunity when seeing their disability. It is because even if they are not required to attend an interview, they still do not stand a chance to land a job. So, I hope the Secretary can give consideration to this. A voluntary system for employing people with disabilities is certainly not going to work.

There is one more point that I wish to make. At our meeting with the Financial Secretary, community enterprises was mentioned in particular. This is a very good concept, but we in the Democratic Party had brought this to the attention of the Financial Secretary: Can the Government set up a seed fund to make investment, in order to promote community enterprises?

Thank you, Madam President.

**MR ALBERT CHENG** (in Cantonese): The topic of today's motion debate is to take care of the disadvantaged and people with disabilities in society. I think that today, in the Legislative Council, no Honourable colleague will disagree with doing so.

However, just now, I heard Ms Emily LAU say that today, there was a great likelihood that this motion would not be passed. Why? In fact, on each occasion, I would remind Members that they should be a little more detached from the motion. As Ms Emily LAU has said, the President often says that this is a motion debate with no legislative effect, so Members should not make any mistake about it. Be it Mr LEUNG Yiu-chung or the Members who proposed the amendments, we are not discussing a private bill. After the discussion is concluded today and Members have raised their hands in support, the motion will be passed. Insofar as the spirit is concerned, this is our duty as Legislative Council Members. For people who come out to run in the elections of Legislative Council Members, no matter if they are mendacious, hypocritical or really sincere, all of them would say that they want to take care of the disadvantaged and people with disabilities.

This motion debate today is meant to tell the Government that in spirit, we in the Legislative Council support helping people with disabilities integrate into society by means of transport subsidies, and it is as simple as this. As regards matters such as a quota system and free transport for their escorts, they are just empty talk. After the motion is passed, the Government has to introduce a bill into the Legislative Council, President, and after a bill is introduced, President, this Council will have to establish a bills committee, just as in the case of the anti-smoking bill — the Secretary was also in charge of that — and after more than a hundred rounds of discussions or close to 300 rounds of discussions, by then, the proposals relating to escorts can be withdrawn and if Members do not like the quota system, it can also be withdrawn.

What matters most is the spirit. If we as Members of the Legislative Council have the heart and is not mendacious, hypocritical, shameless or do not engage only in empty talk, we should raise our hands in support of a righteous cause without reservation. I also want to say that concerning the royalist party — I do not know if they are royalists or what they are and perhaps they want to defend the interests of the business sector or groups in the transport business — maybe they want to oppose this motion because it involves the interests of their constituents, who will see their inordinate profits eroded. Today, the transport fares in Hong Kong are so expensive that, as I have said, they are tantamount to indirect taxes and even the able-bodied cannot afford them, still less people with disabilities.

President, we have talked about prescribing a minimum wage but those people say that should a minimum wage be prescribed, people with disabilities

will become unemployed. It sounds as though they are very caring to these people. However, now that they have jobs but do not have a minimum wage and are exploited, moreover, they have no money to take public transport, should they not be subsidized? This is a very simple matter and not long ago, a lot of people were still discussing it.

President, today, this motion is a test to see if they really care or if they are hypocritical. I will say it once again, to see if they are hypocritical, shameless and if they do not practise what they preach. If they do not, they will in fact neglect the most disadvantaged group in society and neglect their needs. If anyone expresses any objection, I can tell you that you will be sleepless on going back home. You can try and tell your children that you have supported the Government in opposing this motion and that you can again claim merit for this. You can try and see if you can sleep tonight.

To friends of the pro-democracy camp, I think I also have to remind them that when we propose this sort of motions — as people who care, such as Mr LEUNG Yiu-chung, did — the most important thing is the spirit. We know full well that a group of people want to sabotage it, so we should not raise the threshold too high and it will be fine if the spirit is endorsed. In fact, if it were me who proposed the motion, I would just say that we support caring for the disadvantaged groups, so that they can receive subsidies. No one will object to this.

However, if the motion is made to resemble a Christmas tree so that everyone can add anything to it as they like, just like putting earrings on a sow, those people will have an opportunity to object to it. Why should we give them an opportunity to object to it? That will be doing a disservice out of good intentions. Why is it necessary to add so many things? This is not a piece of legislation and I repeat, the President has also said that this is a motion debate that is not legally binding. The most important thing is that we have to facilitate the passage of the spirit, to make the Government support it, to win the unanimous support of all Members, to propose that the need of people with disabilities be catered to and to subsidize their transport expenses. This will already suffice and we should not give those people an opportunity to prevent the motion from ever being passed, such that all we can see is only wrangling.

When Secretary Dr York CHOW took office, many members of the public were struck by him and they admired him like a divine being. Some people and

even many of his fans thought that Secretary Dr CHOW was very "cool". When he came out to say that he had accepted Mr TUNG's appointment, for one thing, it was contrary to all expectations, and for another, when he came out to say something, it sounded like he was cut for the job, saying that he had to be caring and had to take care of the elderly and disadvantaged groups. Those were the days when many people said that the Secretary should become the Chief Executive. However, if we look back today, it seems that the zeal of these people, just like mine, has vanished altogether and as regards the popularity of the Secretary, I believe it is necessary for him to do some self-examination.

I think the Secretary has done one good thing. On the issue of smoking, although YEOH Eng-kiong had dealt with it for so many years, it was the Secretary who finally drummed up the courage to enable the passage of the relevant Bill. Although he made a blunder or stumbled when he was about to send the ball into the goal, it did not matter as the Bill was passed. In fact, the move of proposing a smoking room at the last minute was not fair to the Secretary. Of course, he himself was subjected to political pressure and there is no need for us to discuss this any further. I will take a wait-and-see attitude and come back here later to see if he has the guts to rise and say, "President, I ask Members of the Legislative Council to oppose this motion and the amendments.". If he says so, this will make a lot of people feel disappointed and he will undo all that he has done over time. Therefore, although the Secretary is given his political appointment by someone else, has his reasons for opposing this motion and is given the task to do so, he can say that the Government does not find it acceptable and has to protect business interests but he should not ask everyone to oppose it. Rather, he should just put forward his own views.

I wish to point out that politics is about compromises and I will give my support to anything. The most important thing is to pass the motion first. We have to first pass it so that at least, people with disabilities can find consolation in this and think that venerable Members in the Legislative Council who talk about kindness, righteousness and morality all the time are not hypocrites and are really concerned about them. I hope very much that the legislation can be passed. However, this is not a piece of legislation but a motion debate. It is a motion debate that has no legislative effect whatsoever and is not binding. After this, we can then go home happily to have our meals and can also sleep with greater peace of mind because we have lived up to our conscience.

I so submit. Thank you, President.

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

**MR ALBERT CHAN** (in Cantonese): President, Mr LEUNG Yiu-chung has moved this motion for several years in a row, but the corresponding discussion began in the 1990s and it has been taken place in this Chamber for several times. More than 10 years ago, there were already suggestions that the Government provide disabled persons with subsidies on transport expenses and make a commitment in this respect. In fact, the discussion on this has continued for over five years, and therefore different industries and sectors of society — especially those who are compassionate about and understand the sufferings (economic sufferings in particular) faced by disabled persons as a socially disadvantaged group — have urged the Government to make some substantial measures and pledges, so as to change the existing policy which turns a blind eye to the needs of disabled persons. This call has never ceased over the years.

Even though our Government emphasized "people-based" governance in many policy addresses by the Chief Executive, in terms of catering to the needs and demands of disabled persons, it still gives a strong impression to the people that not only the attitude of the Government is ignorant, and people feel strongly that the Government has adopted an indifferent and unscrupulous attitude towards the demands of disabled persons. I am extremely angry about this. In fact, at the start of the tenure of Secretary Dr York CHOW, I made known publicly that I had expectations of him. I hold no expectation of some particular officials and I have stated so in this Chamber many times. Yesterday, during the debate in some certain committee meetings, I also stated that I had absolutely no expectation of some permanent secretaries and as you all know, neither have I any expectation whatsoever of "Secretary Lam the Eunuch". You are all very clear about this. However, I do have expectations of Secretary Dr York CHOW. In the past, in many different issues, especially the discussion with the Secretary on issue of the recovery of pig farming licences by the Government, the Secretary has finally done his job after years of negotiation.

Looking back at the issue of travel subsidy for disabled persons, I think that the biggest problem is the shirking of responsibility by three Policy Bureaux. The Health, Welfare and Food Bureau is the lead Policy Bureau, and the Environment, Transport and Works Bureau and the Financial Services and the Treasury Bureau are the others. This exactly reflects the phenomenon of "three monks with drinking water". Certainly, the Secretary has more hair on his head than I do, and he has not yet turned into a monk. The biggest problem

now is that what should be done with the demands of disabled persons — I believe some Secretaries will not deny it in private discussion — when it involves the question of where the money should come from. How should the policy be formulated? Should we impose the requirement to provide disabled persons with fare concessions at the issuance of licences or make such requirement in the existing transport policy and licences? The Government has been stuck over this for 10-odd years. Disabled persons should have such concessions, and so the Government has to consider technical or financial arrangements administration-wise such as additional provision from the Treasury.

Two years ago, the Government signed a 10-year agreement with Long Win Bus Company Limited, and another 10-year agreement was also signed in relation to many bus routes operated by Citybus. In view of this, it is not sure whether we have to wait for another eight or nine years until the agreement expires before we can negotiate again. However, I believe this deadlock can be easily broken, because one of the causes of the whole deadlock is false assumption. When we study philosophy, what is taught in the first lesson is that inferences will definitely produce false conclusions if the assumptions are false. This is very simple logic. I think it is totally wrong to assume that the use of public transport by disabled persons will lead to a heavier burden for transport operators in terms of travel fare and that additional resources will be required. At present, there are vacant seats in public transport carriers. Even if they are used by disabled persons, it will not force public transport operators, such as buses, the MTR and KCR, to increase compartments or frequencies. Given that it does not require additional resources to satisfy these disabled persons, it will in fact bring a new source of revenue to transport operators. As a matter of fact, this is an arrangement which will benefit both parties, because disabled persons seldom scramble with other people to use public transport during the rush hours. Even if some disabled persons use these modes of public transport during rush hours, it will not oblige them to provide additional services, which would in turn increase costs.

Therefore, given such a mutually beneficial situation, the relevant transport operators have still repeatedly refused to provide fare concessions to disabled persons. They can be described as extremely unscrupulous, and even shameless.

Nowadays, Hong Kong society has become so indifferent and inhumane; this development can be deemed a desperate failure. When a society develops

from capitalism into welfarism, at times people need to take care of each other and communities to support one another. This is not the present situation, however. Society in Hong Kong has become so indifferent to an extent that no helping hand will be lent even if it is mutually beneficial. I believe this kind of practice must be condemned and the Government must also bear this responsibility.

Therefore, I very much hope that Secretary Dr CHOW can, within his ambit, try his best to make relevant parties finalize an integrated policy as early as possible, so that disabled persons can enjoy travel subsidy and lead a better life. Thank you, President.

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

(No Member indicated a wish to speak)

**PRESIDENT** (in Cantonese): Mr LEUNG Yiu-chung, you may now speak on the two amendments. You have up to five minutes to speak.

**MR LEUNG YIU-CHUNG** (in Cantonese): As many colleagues have said, this debate topic is very old and has a history of several years. However, although it is old, it is still a good thing. What good thing is it? It is that today we still have two colleagues willing to make amendments to my motion. It shows that colleagues have still not given up on this issue and they still try to do more for people with disabilities actively through different means or channels, and strive for more rights and benefits for them. Here I would like to give my sincere thanks to the two Members who have proposed the amendments.

As I said just now, the amendments have proposed different means to achieve the aim, and those different means will definitely cause controversy. For example, the most controversial point made by Dr Fernando CHEUNG is the question of whether escorts should also be provided with subsidy. President, actually I very much support this. Why? If Members had joined the protest and demonstration with a group of persons with disabilities like we did, they would have understood why there is such a need. They really want to come forward and express their wish. However, President, without company

they are not able to go out and have no chance to express their views. They need escorts to go out with them and help push their wheelchairs or support them when they walk to the destination of demonstration. The problem is that the escorts have to devote something else, and that is, their willingness to use their time to accompany them when they go out. Not only do they have to spend time, they also have to use money. It will not matter if they offer company for one activity. However, if persons with disabilities need go out, work and do other things on a daily basis, President, how can the escorts offer company every time? If persons with disabilities have to go out frequently, how can the escorts offer company to the same extent? Therefore, it is necessary to provide escorts with concessions. With this in mind, why did I not include this point in my original motion? It is because I have learnt from Mr Albert CHENG's experience. If I included this point in the motion, I would not have to move the original motion in the first place because it definitely would not be passed. Therefore, I thank Dr Fernando CHEUNG for proposing the amendment, and here I urge other Members to support the amendment proposed by Dr Fernando CHEUNG.

Another controversy in the amendment proposed by Dr Fernando CHEUNG is the quota system. President, first I would like to explain that this quota system will not be prescribed by legislation. I only hope that after the quota system has been put in place, the Government will be able to encourage — this is how the Government likes to put it, and I am following the Government and not creating my own new style — the private sector to employ people with disabilities under the quota system. I only hope to achieve this, and I really do not want to coerce the small and medium enterprises (SMEs). President, I met with Financial Secretary Henry TANG two days ago. When I discussed with him the budget for the next year, I also asked Financial Secretary Henry TANG if tax concessions could be given to SMEs or other institutions so that they have a chance to catch their breath and employ people with disabilities. I only made this suggestion to him. Therefore, this quota system does not aim to coerce SMEs or other institutions, but it is only proposed in the hope that the Government can take the lead to do this.

President, as a matter of fact, unemployment is a very, very serious problem for people with disabilities. A young man came to me and he was a deaf-mute. He is an active person and often helps the elderly as a voluntary worker, such as tidying up the homes of the elderly, and so on. He said that his family had six persons, but somehow four of them were disabled, all being

young people. President, he said that apart from the support from family members who had jobs, they had to depend on disability allowance for a living. I asked him how much the allowance was, and he replied about \$1,200 only. I asked him how he could live on that. This young friend of mine told me that he very much wanted to work, but there was no opportunity. Therefore, I hope that the Government can set a good example and assist them. This friend told me that Taiwan and Japan have done a good job and their governments would help such people seek work. However, has the Hong Kong Government done the same thing? The answer is no. Therefore, we have proposed this idea and hope the Government will work on it actively. Lastly, I hope Members will support the amendment proposed by Dr Fernando CHEUNG and the original motion moved by me.

President, I so submit.

**SECRETARY FOR HEALTH, WELFARE AND FOOD** (in Cantonese):  
Madam President, first of all, I thank Members for being as concerned as the Government is about the welfare of people with disabilities and for hoping to facilitate by all means the participation of people with disabilities in various kinds of activities in the community, so as to assist them in integrating into society with equal opportunities. This is precisely the overall objective of the rehabilitation policy in Hong Kong.

All along, the Government has attached great importance to the transport needs of people with disabilities and made a great deal of effort. On financial assistance, the Health, Welfare and Food Bureau meets the needs of people with disabilities for daily living expenses by such means as the disability allowance and it is also responsible for funding the Rehabus service and its service programmes. The Environment, Transport and Works Bureau also co-operates closely with public transport operators, with a view to building a barrier-free transport environment for people with disabilities.

First of all, I would like to talk about the provision of concessionary fares to people with disabilities. Both the Environment, Transport and Works Bureau and the Transport Department have repeatedly conveyed to public transport companies the request to provide concessionary fares to people with disabilities and requested them to provide fare concessions to the public, having regard to their operating condition and the economic conditions, as well as the needs of the

community. These companies have also examined this request carefully. However, since they are commercial organizations, they must assess the financial implications of such a request on them and ensure that their financial condition can allow them to maintain quality and efficient public transport services, so as to meet the demand of service users adequately. Although the Government understands that transport operators are responsible for their own profits and losses, it is still doing its utmost to discuss with them, in the hope that fare concessions can be offered to people with disabilities.

I understand some Members' point that the Government, being the majority shareholder of the MTR Corporation Limited (MTRCL) and the sole owner of the Kowloon-Canton Railway Corporation (KCRC), should direct the two railway corporations to offer fare concessions to people with disabilities. However, since the MTRCL and KCRC are required to operate according to prudent commercial principles and to provide efficient service without entailing subsidy by public money, therefore, from the transport policy perspective, the Government certainly does not want to issue any direction for the provision of fare concession. Nevertheless, I am aware that both railway corporations are concerned about the need of people with disabilities and will continue to endeavour to improve the railway facilities, so as to facilitate people with disabilities in using railway service.

According to the fare reduction proposal, as part of the rail merger package, railway fares would be reduced upon the proposed merger. For all journeys charging \$12 or above, there would be a minimum of a 10% fare reduction for each journey; for all journeys charging between \$8.5 and \$11.9, there would be a minimum of a 5% fare reduction for each journey; and there would also be a fare reduction of \$0.2 for all Octopus card users paying full fares. It is estimated that a total of 2.8 million daily rail trips would benefit from fare reduction from Day One of the merger. Moreover, the MTRCL has also promised that there would be no fare increase for two years from the date of the signing of the Memorandum of Understanding until 10 April 2008. Members of the public, including people with disabilities, can benefit from the concessionary fares made available as a result of the merger of the two railway corporations.

In keeping with the principle and spirit of free enterprise, the Government does not wish to direct operators to offer fare concessions. However, the Government has all along been reflecting the public demand to public transport

operators and at the same time, taking proactive steps to encourage them to offer concessionary measures to people with disabilities, taking into account their own operating condition, with a view to attaining a reasonable balance between commercial principles and public interests.

In fact, all along, various public transport operators have been offering concession schemes of various kinds to the travelling public in the light of their own operating and financial conditions. These include Octopus card fare reduction, return trip fare discount, bus-bus interchange schemes and monthly ticket scheme, and so on, and people with disabilities can also enjoy these fare concessions and save transport expenses.

As regards the transport expenses of people with disabilities, to address the needs of people with disabilities, the Health, Welfare and Food Bureau will grant disability allowance to people certified by government doctors as severely disabled. The purpose of disability allowance is to offer cash allowance to the severely disabled to meet their special needs arising from disability. It is a non-means tested allowance. Recipients of normal disability allowance and higher disability allowance will receive \$1,125 and \$2,280 per month respectively. The use of disability allowance is not subject to any restriction and people granted the allowance can use it to meet their transport expenses. In 2006-2007, the expenditure in this area is estimated to be \$1.75 billion.

Apart from disability allowance, the Comprehensive Social Security Assistance (CSSA) Scheme also provides a security net to those who require financial assistance in meeting their basic daily needs. Under the CSSA Scheme, transport subsidies are payable to disabled recipients to cover their travelling expenses, including transport fares to and from hospitals, clinics, workplaces and schools. The amount of the grant depends on the actual expenses, usually by the cheapest means of available transport. If disabled recipients have to use modes which charge higher fares for special reasons, for example, making trips to hospitals or places of work by Rehabus, the Social Welfare Department will also grant transport subsidies on the actual expenses. The average payment to a single disabled CSSA recipient is about \$3,741 per month. In 2006-2007, the CSSA expenditure on people with disabilities is estimated to be \$5.1 billion.

The particulars of the motion include requesting the Government to make reference to overseas experience in providing transport subsidies to people with

disabilities and introduce amendments to the Disability Discrimination Ordinance (DDO), so as to eliminate the obstacles in providing fare concessions to people with disabilities who are in genuine need. In fact, the Health, Welfare and Food Bureau has studied the ways of providing subsidies on travelling expenses to people with disabilities in overseas countries and forwarded the relevant information to the Panel on Transport of the Legislative Council in November last year.

On introducing amendments to the DDO, the Legislative Council Subcommittee to Study the Transport Needs and Provision of Concessionary Public Transport Fares for Persons with Disabilities has suggested offering fare concessions to recipients of disability allowance and CSSA with 100% loss of earning capacity in the first instance. Legal advice on this suggestion is that it might run the risk of legal challenge under the DDO. Therefore, in response to the request by this Subcommittee of the Legislative Council, the Government will consider introducing amendments to the DDO to put it beyond doubt that selective provision of fare concessions to people with disabilities in phases would not constitute a contravention of the DDO.

In the context of our study on overseas examples of provision of fare concessions to people with disabilities, it was found that the majority of the public transport systems which offered concessions to people with disabilities were operated with public funds, and only very few of them offered fare concessions to escorts of people with disabilities with severe physical disabilities. As regards offering fare concessions to selected groups, after consulting groups representing people with disabilities, the Legislative Council's Subcommittee has formed the view that public transport operators should be requested to offer concessionary fares to recipients of disability allowance and CSSA with 100% loss of earning capacity in the first instance. Therefore, for the time being, we will not consider the proposal of offering fare concessions to escorts.

Here, I would like to mention that Secretary Dr Sarah LIAO and I share the same view on this issue and both of us hope to lobby for them by all means. Therefore, no matter what today's conclusion is, we will still continue with our efforts. The crucial point is to make operators understand that concessionary fares for people with disabilities would encourage them to travel more, thus increasing the number of users from outside the existing market, instead of reducing the revenue from existing users. We all understand that at present, a lot of people do not go out because they do not have the opportunity to take any

form of transport. However, if the fares become a bit cheaper, the number of passengers will increase and so will the revenue for the operators. Therefore, at this stage, we think we need more time to make transport operators understand this.

Next, I would like to talk about the Rehabus service. The Rehabus service is wholly financed by the Health, Welfare and Food Bureau and managed by the Transport Department, with the aim of providing a point-to-point transport service for people with disabilities who have difficulties in using public transport.

Madam President, I have to make a declaration of interest here. I used to be a member of the Executive Committee of the Hong Kong Society for Rehabilitation, responsible for the planning and management of the Rehabus service over the years. Of course, I left the organization after taking up the post of the Secretary. However, it does not mean that I am not concerned about their problems and I will also handle their applications in a fair and impartial manner.

The Hong Kong Society for Rehabilitation is responsible for the daily operation of this service. The Transport Department and the Hong Kong Society for Rehabilitation have regular liaison meetings to oversee the operation and service demand of the Rehabus service and appropriate adjustments will be made to improve the service. At present, the Rehabus fleet consists of 92 buses in total. In 2006-2007, the subsidy from the Government is \$35 million, representing 80% of its operating cost. The Rehabus service serves a network of about 60 scheduled routes, 30 feeder routes and a Dial-a-Ride service. It is estimated that the number of buses in the fleet will increase to 95 in early 2007.

In 2006-2007, the Government allocated additional funding for the purchase of three new buses and eight replacement buses. For 2007-2008, the Government plans to purchase four new buses and replace nine old buses fitted with obsolete tail lifts. Also, all buses with obsolete tail lifts (around 10) will be replaced in the next two to three years, in view of their limitation in handling heavier powered wheelchairs, the use of which is increasingly common. By then, the Rehabus service will be further enhanced.

Apart from purchasing new buses and replacing existing ones, Rehabus will continue to rationalize its existing routes to meet client's needs. It will also

apply suitable information technology for service improvement. In the coming two years, Rehabus will upgrade its "Rehabus Information Management System" for enhancing its services to clients through more effective utilization of available fleet resources, and the estimated expenditure for the whole project is \$1 million.

Insofar as the transport policy is concerned, our objective is to provide barrier-free transport for people with disabilities. In order to reduce the actual difficulties encountered by people with disabilities in getting about in local communities, the Government is committed to enhancing traffic and transport facilities for the convenience of people with disabilities. For example, according to the Transport Planning and Design Manual, all newly built public transport interchanges and bus termini are equipped with dropped kerbs for the convenience of wheelchair users. Apart from the new facilities, the Government also actively enhances existing traffic facilities, which includes:

- the installation of electronic audible signals at all signal-controlled pedestrian crossings for the convenience of the visually impaired;
- as of June this year, the Government has constructed wheelchair ramps at roughly 9 000 locations all over Hong Kong, with a view to reducing the obstacles faced by the wheelchair-bound when getting about;
- the provision of tactile guide paths at 12 locations and the Government plans to construct an additional three guide paths in 2007, as well as the provision of wheelchair ramps leading to footbridges and the installation of lifts at pedestrian subways and footbridges; and
- the reduction of unnecessary traffic sign posts on the roads.

Over the years, the Government has invested nearly \$2.6 billion in various facilities. The Government will continue to endeavour to provide a barrier-free transport system for all by improving traffic and transport facilities for the convenience of people with disabilities.

The Environment, Transport and Works Bureau and the Transport Department have all along been closely co-operating with public transport operators to actively improve the facilities provided to people with disabilities

and facilitate the use of public transport services by them. As for franchised buses, approximately 4 200 buses (70.7%) are equipped with Bus-stop Announcement Systems. The number of buses fitted with such systems has increased by nearly 50% over the past four years and more than 2 500 low-floor type buses (about 44% of the fleet) are already providing services. Since November last year, the taxi trade has also introduced 30 taxis with rear passenger seats capable of turning sideways by 90 degrees, designed to facilitate boarding and alighting by mobility-handicapped people. In respect of railways, tactile guide paths are now widely provided in the station concourses and platforms of the Mass Transit Railway, the Airport Express, the East Rail and the West Rail. Stations of the East Rail and the West Rail are even equipped with Braille maps for the visually impaired. On improvements to platform facilities, as at the end of October this year, the MTRCL has installed stairlifts in a total of three stations to facilitate entry into and exit from stations by passengers in wheelchairs.

It can be seen from the foregoing information that with the encouragement of the Government, transport service operators have continuously improved their facilities to make it easier for people with disabilities to use public transport services. The Government will continue to co-operate with people with disabilities and public transport operators in actively improving transport and road facilities for people with disabilities and striving towards the goal of barrier-free transport, so that they can participate in community activities and integrate into society with greater ease.

Members suggested that various public transport operators be required to draw up specific timetables for improving their facilities. In fact, since mid-2001, the new buses purchased by all major franchised bus companies must be low-floor type buses equipped with facilities for people with disabilities, such as ramps and space for parking wheelchairs. The rates at which bus companies replace buses will depend on the service years of buses and the demand for buses. According to the existing route development programmes drawn up by buses companies, a total of 180 new low-floor type buses will have to be purchased each year, therefore, the number of such buses will increase gradually.

Given that the replacement of buses involves large amounts of investment, if we compel the bus companies to replace all buses within a short period of time, not only will it be impossible to make use of the existing fleet effectively, this

may even impose a sudden increase in financial burden for bus companies and hence increase the pressure for a fare increase. In fact, the public transport operators are actively examining the conversion of existing facilities to facilitate their use by people with disabilities. For example, as of June this year, close to 2 200 (that is, about 50%) newly registered public minibuses are equipped with Braille licence plates inside their compartments. The MTRCL has also completed the installation of audible devices that read out the fares deducted from Octopus cards and the remaining value at all automatic gates with tactile guide paths. Franchised bus companies will also install bus-stop announcement systems on board buses by stages.

For people with physical disabilities who cannot make use of public transport, apart from providing a point-to-point Rehabus service through subsidizing the Hong Kong Society for Rehabilitation, since 1983, the Government has also been providing a number of tax exemptions for the physically handicapped capable of driving vehicles, including an exemption on the duty for 200 litres of petrol per month and the exemption of private cars not exceeding the specified capacity and value from motor vehicle first registration tax and annual licence fees, so as to assist these people in driving their own vehicles and meeting their basic transport needs, such that they can lead an independent life and integrate into society.

To supplement the Rehabus service, the Government recognizes the need to actively consider introducing other wheelchair-accessible public transport means. We have also been working with the Transport Department in studying the introduction of rehabilitation taxis. According to the law, apart from liquefied petroleum gas (LPG), taxis can also use petrol as fuel. There are petrol-fuelled wheelchair-accessible vehicles available in the market. However, as their operating cost as taxis is higher than that of LPG taxi, the taxi trade has not introduced them for use as taxis.

The Government and the taxi trade are actively sourcing for wheelchair-accessible LPG vehicles for use as barrier-free taxis. The fuel supply system, including the fuel tank and associated pipework, of LPG vehicles requires approval by the Gas Authority (that is, the Director of Electrical and Mechanical Services). To facilitate the introduction of wheelchair-accessible taxis, the Transport Department and the Electrical and Mechanical Services Department have held briefing sessions for the automobile trade on the specifications of LPG taxis, including requirements on gas safety for the fuel

supply system, access and fastening devices for wheelchair, and safety harnesses for passengers, to facilitate identification of suitable vehicles by the trade.

The automobile trade and taxi trade are welcome to introduce vehicle models which meet the legal requirements in Hong Kong as taxis, so as to provide more convenient services for wheelchair users. Should there be suitable vehicle models, the departments concerned will follow up proactively on the relevant procedures, including fuel supply system tests, vehicle inspection and road tests, in order to facilitate the early launch of these taxis.

Next, I would like to talk about employment quotas for people with disabilities. The Government's policy objective for the employment of people with disabilities is to ensure that people with disabilities enjoy equal opportunities in participating in productive and gainful employment in the open market. In order to enhance the employability and earning ability of people with disabilities, the Government has put in place a whole series of education programmes and vocational rehabilitation services tailored to their special needs. These services are designed to enable people with disabilities to attain education standards similar to members of the general public, so that they can acquire skills which meet market needs and find suitable jobs commensurate with their abilities.

The Government does not support the establishment of an employment quota system, however, not that because we agree with the views of some employers. We will promote equal employment opportunities for people with different abilities through legislation and public education.

The implementation of a quota system in overseas countries cannot prove that the system can effectively assist people with disabilities in finding employment. In this regard, since I have worked for a fairly long time in the rehabilitation sector (in particular, in the international rehabilitation sector), I have observed the experience in Japan, Taiwan and other countries. In the United Kingdom, the system was abolished in 1995 due to its ineffectiveness and replaced by the Disability Discrimination Act. In Germany and Austria, most companies do not implement a quota system and they prefer to pay taxes in lieu. In France, only 35% of the employers covered by the relevant legislation can meet the quota. The most significant problem is that a lot of companies hiring people with disabilities do not regard them as ordinary employees. Instead, these people are assigned to work in a corner or in a special unit. Such

practices made many groups for the disabled voice opposition. According to a study of the International Labour Organization, the international trend now is to move away from the quota system gradually and to switch to such measures as employment support for individuals and anti-discrimination legislation.

Under a compulsory employment system, people with disabilities might be regarded as a burden, thus making it difficult for their colleagues to accept them. We should help people with disabilities find suitable jobs according to their abilities, not their disabilities, and provide vocational training and placement services suited to their abilities.

On the recommendation of the Sub-committee on Employment of the Rehabilitation Advisory Committee (the Sub-committee), the Health, Welfare and Food Bureau wrote to 369 statutory bodies and government subvented organizations in May 2003 to encourage them to formulate a recruitment policy and employment indicators for people with disabilities. The Health, Welfare and Food Bureau conducted a tracking survey in early 2004, which revealed that 85 of these organizations had formulated policies for the recruitment of people with disabilities, and 21 of them had also set up employment indicators for people with disabilities. The employment indicators set by these organizations ranged from 0.1% to 33%, and most were in the range of 1% to 2%. The total number of people with disabilities employed by these 21 organizations was 926. We will continue to monitor the relevant situation closely and encourage various groups and organizations to implement the foregoing measures on a voluntary basis. The Bureau is conducting another tracking survey.

As regards encouraging government departments to formulate employment indicators for people with disabilities, the Civil Service Bureau is of the view that a fixed percentage or quota for the employment of people with disabilities is not the appropriate or effective means to promote the employment of these people. The Government will continue to assist them in finding appropriate jobs according to the existing policy of employing people with disabilities. The Government will continue to pay attention to the number of people with disabilities employed by the Government and its percentage in the total body of government employees. According to the record, this percentage has been maintained at 2% over the years. When amending the Lump Sum Grant Manual of subvented welfare organizations, the Social Welfare Department will include the relevant measures in the manual as a recommended good practice in the codes.

In order to facilitate people with disabilities in fully integrating into the community, we have to consider and cater for all their needs in daily life and employment and transport are some of the areas requiring attention. It is also necessary to pay attention to other areas, including education, vocational training, community support and recreational, cultural and artistic activities. The goal of "A Society for All" can be truly attained only by providing appropriate services to people with disabilities and helping them achieve self-reliance and participate in social affairs.

In fact, since the publication of the first White Paper on the Rehabilitation Policies and Services by the Government in 1977, there has been sustained development in rehabilitation services in Hong Kong. At present, the quality and range of our services have surpassed those of many countries in the Asia-Pacific Region and even Western countries. People with disabilities among us can all receive education just like other members of the public and receive vocational training and placement services tailored to market needs. Our DDO and Buildings Ordinance also ensure equal opportunities for people with disabilities in participating in various activities in society. In employment, we have also continuously launched a series of measures to help people with disabilities find employment. For example, we have the On-the-Job Training Scheme and the Enhancing Employment of People with Disabilities through Small Enterprise Project to help people with disabilities strengthen their employability and enable them to find suitable work in the open market, so as to achieve self-reliance, instead of having to rely on mandatory employment measures such as a quota system. In addition, we will also co-operate with various sectors in society in reviewing the "Design Manual: Barrier Free Access", so as to further develop Hong Kong into a barrier-free city, so that people with disabilities can fully participate in various kinds of activities in the community.

The host of community support services provided by us has enabled people with disabilities to lead contented lives in local communities and, with the vigorous initiatives taken the Government, people with disabilities in Hong Kong also participate very actively in various sports, recreational, cultural and artistic activities in Hong Kong. Moreover, they have also achieved good results in international events.

I wish to stress that in order to assist people with disabilities in integrating into society and becoming its members, the most effective way is not to rely

solely on welfare, concessions or the implementation of compulsory measures. We must holistically cater to the various needs of people with disabilities in their physical and mental development, so as to make them self-reliant and enable them to make contribution to society hand in hand with other members of the public.

I wish to stress once again that I am fairly deeply committed to working for people with disabilities and I will continue to exert my utmost and will not give up for any reason. No matter what the outcome of today's motion is, my commitment in this regard will not be affected.

Thank you, Madam President.

**PRESIDENT** (in Cantonese): I now call on Mr Tommy CHEUNG to move his amendment.

**MR TOMMY CHEUNG** (in Cantonese): President, I move that Mr LEUNG Yiu-chung's motion be amended.

**Mr Tommy CHEUNG moved the following amendment: (Translation)**

"To add "on three occasions" after "motions passed"; to add "three Sessions of" after "by this Council in the"; to delete "Sessions" after "2005-2006" and substitute with ","; to delete "examining the existing legislation and, if necessary, introducing legislative amendments or enacting laws to press" after "(a)" and substitute with "exploring amending the Disability Discrimination Ordinance to remove legal impediments to the provision of fare concessions to people with disabilities in genuine need, and discussing with"; to delete "according priority to the introduction of a quota system for" after "(c)" and substitute with "taking the lead in"; to add "more" after "employing"; and to delete "and encouraging its implementation in" after "people with disabilities," and substitute with "so as to set a positive example for". "

**PRESIDENT** (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Mr Tommy CHEUNG to Mr LEUNG Yiu-chung's motion, be passed.

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

(Members raised their hands)

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

(Members raised their hands)

Mr LEE Cheuk-yan rose to claim a division.

**PRESIDENT** (in Cantonese): Mr LEE Cheuk-yan has claimed a division. The division bell will ring for three minutes, after which the division will begin.

**PRESIDENT** (in Cantonese): Will Members please proceed to vote.

**PRESIDENT** (in Cantonese): Will Members please check their votes. If there are no queries, voting shall now stop and the result will be displayed.

Functional Constituencies:

Mr Bernard CHAN, Mrs Sophie LEUNG, Mr Howard YOUNG, Ms Miriam LAU, Mr Tommy CHEUNG, Mr Vincent FANG, Dr Joseph LEE, Mr Jeffrey LAM and Mr Andrew LEUNG voted for the amendment.

Mr CHEUNG Man-kwong and Dr KWOK Ka-ki voted against the amendment.

Ms Margaret NG, Mr WONG Yung-kan, Mr WONG Kwok-hing, Dr Fernando CHEUNG, Mr WONG Ting-kwong, Mr KWONG Chi-kin and Miss TAM Heung-man abstained.

Geographical Constituencies:

Mrs Selina CHOW and Mr Albert CHENG voted for the amendment.

Mr Albert HO, Mr LEE Cheuk-yan, Mr James TO, Mr LEUNG Yiu-chung, Dr YEUNG Sum, Ms Emily LAU, Mr Albert CHAN, Mr Frederick FUNG, Mr LEE Wing-tat and Mr LEUNG Kwok-hung voted against the amendment.

Mr CHAN Kam-lam, Mr LAU Chin-shek, Mr LAU Kong-wah, Miss CHOY So-yuk, Mr TAM Yiu-chung, Ms Audrey EU, Mr Alan LEONG and Mr Ronny TONG abstained.

THE PRESIDENT, Mrs Rita FAN, did not cast any vote.

THE PRESIDENT announced that among the Members returned by functional constituencies, 18 were present, nine were in favour of the amendment, two against it and seven abstained; while among the Members returned by geographical constituencies through direct elections, 21 were present, two were in favour of the amendment, 10 against it and eight abstained. Since the question was not agreed by a majority of each of the two groups of Members present, she therefore declared that the amendment was negated.

**PRESIDENT** (in Cantonese): Dr Fernando CHEUNG, you may move your amendment.

**DR FERNANDO CHEUNG** (in Cantonese): President, I move that Mr LEUNG Yiu-chung's motion be amended.

**Dr Fernando CHEUNG moved the following amendment: (Translation)**

"To delete "this Council expresses deep regret that the government departments concerned, some statutory transport corporations and public transport operators have failed to face up to the" after "That" and substitute with ", as"; to add "were" after "motions"; to delete "and" after "concessionary fares to them,"; to delete "and improve their facilities in order to reduce the barriers to the disabled" after "half-fare

concessions to people with disabilities"; to add "and considering extending the concessions to their escorts" after "transport subsidy for them"; to delete "; and" after "Rehabus service" and substitute with ", including increasing the number of such vehicles and strengthening the service;"; and to delete "according priority to the introduction of a quota system for employing people with disabilities, and encouraging its implementation in the private sector" after "(c)" and substitute with "requesting various public transport operators to draw up specific plans and timetables for improving their facilities to reduce the barriers to people with disabilities, so that they can have easy access to all major public transport facilities; (d) introducing rehabilitation taxis, which are easy to board and alight for wheelchair-bound persons; and (e) implementing in all government departments and public bodies a voluntary quota system for employing people with disabilities, requesting them to set indicators for and report annually on the employment of the disabled, as well as encouraging the private sector to follow suit". "

**PRESIDENT** (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Dr Fernando CHEUNG to Mr LEUNG Yiu-chung's motion, be passed.

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

(Members raised their hands)

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

(No hands raised)

Mr Jeffrey LAM rose to claim a division.

**PRESIDENT** (in Cantonese): Mr Jeffrey LAM has claimed a division. The division bell will ring for three minutes, after which the division will begin.

**PRESIDENT** (in Cantonese): Will Members please proceed to vote.

**PRESIDENT** (in Cantonese): Will Members please check their votes. If there are no queries, voting shall now stop and the result will be displayed.

Functional Constituencies:

Ms Margaret NG, Mr CHEUNG Man-kwong, Mr WONG Yung-kan, Mr WONG Kwok-hing, Dr Joseph LEE, Dr KWOK Ka-ki, Dr Fernando CHEUNG, Mr WONG Ting-kwong, Mr KWONG Chi-kin and Miss TAM Heung-man voted for the amendment.

Mr Bernard CHAN, Mrs Sophie LEUNG, Mr Howard YOUNG, Ms Miriam LAU, Mr Tommy CHEUNG, Mr Vincent FANG, Mr Jeffrey LAM and Mr Andrew LEUNG abstained.

Geographical Constituencies:

Mr Albert HO, Mr LEE Cheuk-yan, Mr James TO, Mr CHAN Kam-lam, Mr LEUNG Yiu-chung, Dr YEUNG Sum, Mr LAU Chin-shek, Mr LAU Kong-wah, Ms Emily LAU, Miss CHOY So-yuk, Mr TAM Yiu-chung, Mr Albert CHAN, Mr Frederick FUNG, Ms Audrey EU, Mr LEE Wing-tat, Mr Alan LEONG, Mr LEUNG Kwok-hung, Mr Ronny TONG and Mr Albert CHENG voted for the amendment.

Mrs Selina CHOW abstained.

THE PRESIDENT, Mrs Rita FAN, did not cast any vote.

THE PRESIDENT announced that among the Members returned by functional constituencies, 18 were present, 10 were in favour of the amendment and eight abstained; while among the Members returned by geographical constituencies through direct elections, 21 were present, 19 were in favour of the amendment and one abstained. Since the question was agreed by a majority of each of the two groups of Members present, she therefore declared that the amendment was carried.

**PRESIDENT** (in Cantonese): Mr LEUNG Yiu-chung, you may now reply and you have 19 seconds.

**MR LEUNG YIU-CHUNG** (in Cantonese): Thank you, Members, thank you.  
*(Laughter)*

**PRESIDENT** (in Cantonese): I now put the question to you and that is: That the motion moved by Mr LEUNG Yiu-chung, as amended by Dr Fernando CHEUNG, be passed. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

Mr Jeffrey LAM rose to claim a division.

**PRESIDENT** (in Cantonese): Mr Jeffrey LAM has claimed a division. The division bell will ring for three minutes, after which the division will begin.

**PRESIDENT** (in Cantonese): Will Members please proceed to vote.

**PRESIDENT** (in Cantonese): Will Members please check their votes. If there are no queries, voting shall now stop and the result will be displayed.

Functional Constituencies:

Ms Margaret NG, Mr CHEUNG Man-kwong, Mr WONG Yung-kan, Mr WONG Kwok-hing, Dr Joseph LEE, Dr KWOK Ka-ki, Dr Fernando CHEUNG, Mr WONG Ting-kwong, Mr KWONG Chi-kin and Miss TAM Heung-man voted for the motion as amended.

Mr Bernard CHAN, Mrs Sophie LEUNG, Mr Howard YOUNG, Ms Miriam LAU, Mr Tommy CHEUNG, Mr Vincent FANG, Mr Jeffrey LAM and Mr Andrew LEUNG abstained.

Geographical Constituencies:

Mr Albert HO, Mr LEE Cheuk-yan, Mr James TO, Mr CHAN Kam-lam, Mr LEUNG Yiu-chung, Dr YEUNG Sum, Mr LAU Chin-shek, Mr LAU Kong-wah, Ms Emily LAU, Miss CHOY So-yuk, Mr TAM Yiu-chung, Mr Albert CHAN, Mr Frederick FUNG, Ms Audrey EU, Mr LEE Wing-tat, Mr Alan LEONG, Mr LEUNG Kwok-hung, Mr Ronny TONG and Mr Albert CHENG voted for the motion as amended.

Mrs Selina CHOW abstained.

THE PRESIDENT, Mrs Rita FAN, did not cast any vote.

THE PRESIDENT announced that among the Members returned by functional constituencies, 18 were present, 10 were in favour of the motion as amended and eight abstained; while among the Members returned by geographical constituencies through direct elections, 21 were present, 19 were in favour of the motion as amended and one abstained. Since the question was agreed by a majority of each of the two groups of Members present, she therefore declared that the motion as amended was carried.

## **NEXT MEETING**

**PRESIDENT** (in Cantonese): I now adjourn the Council until 11.00 am on Wednesday, 22 November 2006.

*Adjourned accordingly at twenty-eight minutes to Nine o'clock.*

**Appendix I****WRITTEN ANSWER****Written answer by the Commissioner for Tourism to Mr Howard YOUNG's supplementary question to Question 5**

The Hongkong International Theme Parks Limited has been conducting a daily survey with park visitors since opening. Random samples of the survey are representative of the visitor population, covering both local residents and tourists. About 80% expressed intent to visit the park again.