

# **OFFICIAL RECORD OF PROCEEDINGS**

**Thursday, 15 May 2008**

**The Council met at Three o'clock**

## **MEMBERS PRESENT:**

THE PRESIDENT

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

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

THE HONOURABLE ALBERT HO CHUN-YAN

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

THE HONOURABLE LEE CHEUK-YAN

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

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, S.B.S., 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, G.B.S., J.P.

THE HONOURABLE LEUNG YIU-CHUNG

THE HONOURABLE SIN CHUNG-KAI, S.B.S., J.P.

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

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

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

DR THE HONOURABLE YEUNG SUM, J.P.

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, S.B.S., J.P.

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

THE HONOURABLE TOMMY CHEUNG YU-YAN, S.B.S., 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 WONG KWOK-HING, M.H.

THE HONOURABLE LEE WING-TAT

THE HONOURABLE LI KWOK-YING, M.H., J.P.

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

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

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

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

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

THE HONOURABLE LEUNG KWOK-HUNG

DR THE HONOURABLE KWOK KA-KI

DR THE HONOURABLE FERNANDO CHEUNG CHIU-HUNG

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

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

THE HONOURABLE 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, J.P.

THE HONOURABLE KWONG CHI-KIN

THE HONOURABLE TAM HEUNG-MAN

THE HONOURABLE MRS ANSON CHAN, G.B.M., J.P.

**MEMBERS ABSENT:**

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

THE HONOURABLE WONG YUNG-KAN, S.B.S., J.P.

THE HONOURABLE VINCENT FANG KANG, J.P.

**PUBLIC OFFICERS ATTENDING:**

THE HONOURABLE JOHN TSANG CHUN-WAH, J.P.  
THE FINANCIAL SECRETARY

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

THE HONOURABLE FREDERICK MA SI-HANG, J.P.  
SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT

THE HONOURABLE STEPHEN LAM SUI-LUNG, J.P.  
SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS

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

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

THE HONOURABLE TSANG TAK-SING, J.P.  
SECRETARY FOR HOME AFFAIRS

THE HONOURABLE MATTHEW CHEUNG KIN-CHUNG, G.B.S., J.P.  
SECRETARY FOR LABOUR AND WELFARE

THE HONOURABLE EDWARD YAU TANG-WAH, J.P.  
SECRETARY FOR THE ENVIRONMENT

THE HONOURABLE EVA CHENG, J.P.  
SECRETARY FOR TRANSPORT AND HOUSING

PROF LAU SIU-KAI, J.P.  
HEAD, CENTRAL POLICY UNIT

**CLERK IN ATTENDANCE:**

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

PURSUANT TO RULE 8 OF THE RULES OF PROCEDURE, THE CHIEF EXECUTIVE, THE HONOURABLE DONALD TSANG YAM-KUEN, ATTENDED TO ADDRESS THE COUNCIL AND TO RECEIVE QUESTIONS.

**PRESIDENT** (in Cantonese): Members will please remain standing while the Chief Executive enters the Chamber.

**PRESIDENT** (in Cantonese): The Chief Executive will first address the Council.

**CHIEF EXECUTIVE** (in Cantonese): Madam President, Honourable Members, today I attend this Question and Answer Session of the Legislative Council with a heavy heart. I will mainly address the livelihood issue of the grassroots today. Of course, if there are other issues, your questions will also be welcomed. Before I go to the topic, however, I would like to pay tribute to those people who have lost their lives in the catastrophic earthquake that happened a few days ago and express my deepest condolences to the compatriots affected by the disaster.

In the past three days, the SAR Government has reacted expeditiously and actively to this major catastrophe. On the second day after the earthquake, the SAR Government proposed a direct donation of \$300 million for the rescue work. The proposal was speedily approved at the special meeting of the Finance Committee (FC) yesterday.

On another front, our search and rescue team set off in the small hours in the morning and arrived at Sichuan by dawn. They then hurried to the worst-hit area of Sichuan immediately and are now at Hanwang Town in Mianzhu County to assist in the local rescue operation. After assessing the situation of the scene, they mounted a rescue operation this morning and communicated with me once by phone. They are now responsible for the search and rescue operation in a collapsed four-storey office block. At the moment, the sky is dim and it is drizzling with a temperature of around 20°C. Last night before their arrival, the local rescue team saved a trapped worker from the site. According to their estimation, around 20 to 30 people are still buried in the debris. According to the report of the leader of our search and rescue team, Mr Tam Tai Keung, Senior Division Commander of the Fire Services Department, all members of the search and rescue team are in high morale and good shape although they were exhausted for being on the run the whole night and did not get much sleep. But each and every one of them will exert their level best. Just a moment ago, I received a report from them, telling me that they had saved two victims from the

site who, however, had passed away. Still, they will continue with their efforts. A team of four medical experts from the Hospital Authority has also set off this morning. This is the second team which will support the medical work and emergency surgery in the disaster area. Comprising professors and elites of Hong Kong, the team members are experts in dealing with bone fractures and emergency rescue who have gone there on voluntary service.

Apart from helping the local rescue operation, these two teams will gather first-hand information on the actual needs of the disaster-hit area in terms of supplies and other support. Based on their assessment, the SAR Government will send another search and rescue team comprising 20 members as reinforcement for the disaster-hit area this evening. If necessary, we will do our best to deploy more manpower and special resources to tie in with the rescue and aftercare operation of the Mainland. Of course, everything we do will be in co-operation with the local commanders and we will not add to their troubles. We are not a big team at the moment but each member of the team brings with him the caring concern of Hong Kong people. They have the support of the entire SAR Government, the legislature and the community behind them. I believe the mainland compatriots will feel their sincerity.

Premier WEN Jiabao personally directed rescue work in the front line a few days ago. I believe you are aware, through a press report, that he has expressed his heartfelt gratitude to the compatriots of Hong Kong for various forms of support rendered. Other state leaders have also thanked the Hong Kong SAR repeatedly through me for our strong support to the quake rescue operation and the relief work. The serious challenge faced by our country has given us an opportunity to show the blood ties between Hong Kong people and our compatriots in the Mainland and our strong link which makes us care and show concern for each other.

Here I would like to express my deepest gratitude to Members for your support to the SAR Government's proposal of donation for the disaster at the first instance. At yesterday's FC meeting, the SAR Government's application for funding was approved. As every second counts in the rescue operation, the executive and the legislature have worked closely together on the premise of conducting the rescue operation. I sincerely hope that on other important issues in future, the executive and the legislature will continue to work together with this "people-based" spirit of co-operation.

I would like to pay my highest respect to the journalists and volunteers who are now in the disaster area doing news coverage or assisting in relief efforts. In particular the journalists, photographers and other back-up staff of Hong Kong, they have once again demonstrated their absolute professionalism. Their efforts have allowed us to grasp the actual proportions of the disaster. The information supplied to us will lend an impetus to our efforts in providing assistance. As disaster-hit victims retreat from the disaster area, our news team travelled day and night to the worst-hit area. I see them carrying equipment which is even heavier than those carried by troops. But they do not complain and try to reach the front line of the disaster area at the first instance. Like the people of Hong Kong, I thank them for their selfless and professional devotion.

At the same time, various sectors in Hong Kong have initiated fund-raising activities. I appeal to the public to respond positively to these initiatives. The hearts of Hong Kong people are now with Sichuan and the Motherland. As solidarity is strength, I believe we will all be united and exert our best to help our compatriots affected by the disaster tide over this difficult time. This we can do.

Regarding the issue of people's livelihood which is a prime concern to the community, there are two aspects: First, the rising prices of commodities; and second, the wage increase. Hong Kong went through a period of recession after the reunification. We started to rebound from 2003 and moved back slowly onto the right track to positive growth. Statistics on the labour market and real-term economic growth show that the past three years has been a high growth period. Economic prosperity itself will bring about inflation. Rising wages and robust consumption will also spur inflation. However, there are special reasons for the surge of prices. First of all, energy and food prices are soaring and this is a global trend. Energy has contributed directly to the pressure of price increases for public transportation. Meanwhile, soaring food prices have a direct impact on the grassroots who are the hardest hit.

Originally, if wage increases can keep up with prices and cushion the impacts of inflation, the standard of living of the people can be maintained as usual. Last year, I proposed 10 major infrastructure projects in my policy address entitled "A New Direction for Hong Kong", and one of the objectives is to stimulate the economy, provide more job opportunities and stimulate wage growth. Now, most of the projects have been launched. Project planning and

design are underway in preparation for the commencement of works. The first to benefit are the surveying, architectural and engineering professionals while the construction workers will be the next to benefit. Eventually, when the infrastructure is up and running, the economic benefit will be enjoyed by all sectors. But it will take a few years for the benefits to fully realize. At the moment, insofar as the sharing of economic benefit is concerned, it is true that some people in certain sectors are unable to benefit at once while some others are even lagging behind. Their wages have only seen a moderate increase while commodity prices have surged. This is certainly a tough time. In the light of such a development, the Financial Secretary has put forward a series of short-term measures in his budget this year. As we all know, this includes the expansion of the transport allowance scheme, paying public housing rents for tenants, waiver of rates, electricity charge subsidy, and so on. The purpose is to relieve the burden on the people.

I fully appreciate that these are only short-term measures yielding short-term effect. In the long run, the solution lies in promoting economic growth, improvement in the labour market and steady increases in wages. Last year, the industrial dispute involving bar benders and fixers sparked public concern about wages. At that time, workers tried to fight for an increase in their standard rate to \$950 daily. Eventually, an agreement was reached at \$860 daily. As the prospect of the construction industry improves, both the employers and employees have agreed, after consultation, to increase the rate to \$980 this year and there is no more disputes on this. So, we can see that when our economy has become vibrant, the workers' wages will be benefited. I hope the bar bending and fixing trade is not an isolated case and workers in other industries will also share the fruits of prosperity.

As regards price increase applications from public service operators that have a direct impact on people's livelihood, I can assure Members that the Government will play an effective role as a gatekeeper. We will ensure that a proper balance will be struck between the interest of shareholders of public service operators and those of the community at large. On minimum wage protection, I would like to reiterate that if, after the review in October this year, the Wage Protection Movement is proven to be ineffective, the legislation which is being drafted now will be quickly introduced. I hope employers and the business sector will appreciate that the Government has allowed ample and reasonable time for this. We hope that through a voluntary movement, we can promote minimum wage without the need to resort to legislation. But if it is

proved that legislation is the only effective means, the Government will be left with no choice. We will be duty-bound to table before this Council a bill on minimum wage protection as soon as possible so that it can be enacted in the next legislative year.

On consumer protection, the Consumer Council has undertaken to publish price surveys and enhance information transparency. I appeal to political parties, Members, community bodies and media to play a role in monitoring. Regarding legislation on fair competition, the Government has published a consultation paper on the specific content of the relevant bill. I hope a consensus can be forged in the community as soon as possible so that a cross-sector competition law that suits Hong Kong will be introduced at the earliest opportunity.

I pledge to Members that in drawing up my policy address this year, I will give special consideration to the livelihood of the grassroots. I hope that concrete measures can be introduced to alleviate the burden on people caused by soaring prices.

Madam President, I would like to extend my heartfelt gratitude to all Members again for dedicating themselves to the monitoring of public opinions during the past four years in this Council. In these four years, we have gone through ups and downs in Hong Kong together. Every time I come here to take your questions, I come with trepidation. When we are totally dedicated to our roles, heated debates are inevitable and sparks are kindled. But these are our duties and we are just defending our own position. I hope this will not damage the mutual respect and the relationship between the executive and the legislature. When we meet again in the new term of the Council, some faces may change. Some old faces may have retired and new ones may be seen. Nevertheless, I hope all Members in this Chamber will continue to serve Hong Kong, either in the same capacity or in other capacities and roles.

Thank you.

**PRESIDENT** (in Cantonese): The Chief Executive will now take questions from Members. A Member who has asked a question can request a further elaboration on the reply by the Chief Executive.

**MRS ANSON CHAN** (in Cantonese): *Chief Executive, the existing members of the Task Group on Constitutional Development of the Commission on Strategic Development (the Commission) are mainly conservative people from the pro-establishment camp. The Commission has also confined the discussion topics to the handling and amending the methods for electing the Chief Executive and the Legislative Council in 2012. However, the Standing Committee of the National People's Congress (NPCSC) resolved last year that the Chief Executive and the Legislative Council will be elected by universal suffrage in 2017 and 2020 respectively. In the run-up to 2020, all steps in the constitutional development are linked. The public would like to see a clear roadmap and an ultimate constitutional package. Why is the scope of discussion of the Task Group confined to the elections in 2012? According to the Chief Executive, it is because the authorities do not want to pre-empt the thinking of the next term of the SAR Government. Such an explanation is neither far-sighted nor responsible. Similarly, there will be a change of term of the Chinese President in 2013. But the Central Government has undertaken in which year universal suffrage will take place in Hong Kong. Will the Chief Executive tell us what steps will be taken by the Government to ensure that Hong Kong can move onto the track to genuine universal suffrage rather than working behind closed doors as it does at present?*

**CHIEF EXECUTIVE** (in Cantonese): Mrs CHAN, regarding the timetable of electing the Legislative Council and Chief Executive by universal suffrage, we all know it clearly that we will have the Chief Executive and the Legislative Council elected by universal suffrage in 2017 and 2020 respectively. Moreover, the model of universal suffrage in future must comply with the principle of universality and equality. Our present task is mainly focused on formulating the electoral arrangements in 2012. When our task is completed, I hope that we will, under the existing arrangement, move one step closer to universal suffrage and fulfil the ultimate principle of having a popular and fair election.

However, things must be done in a step by step manner. I hold that this term of Government has to make good preparations for the election in 2012 before the end of 2012. Since we have got a firm timetable for implementing universal suffrage for the elections of the Chief Executive and the Legislative Council in 2017 and 2020 respectively, we should devote our efforts single-mindedly to our present task.

I am sure that the Chief Executive elected after 2012 will be committed to forging a consensus on the arrangement for universal suffrage in 2017 in the community of Hong Kong. After implementing the universal suffrage for the election of the Chief Executive in 2017, we have to implement the arrangement for the election of the Legislative Council in 2020. Only in doing so can the arrangements be conducted in a step by step and orderly manner.

On the one hand, our discussion is focused on the electoral arrangements in 2012 while we can listen to all sectors' views on the electoral methods of the Chief Executive by universal suffrage on the other, so that we can realize the principle of universality and equality. My priority is, however, to deal with the election in 2012. This is the wish of Hong Kong people. If we do not do a good job for the arrangement in 2012, how can we pin our hope on the arrangement for the elections in 2017 and 2020?

**MRS ANSON CHAN** (in Cantonese): *Chief Executive, the model of universal suffrage should be the election, through "one person, one vote", of the Chief Executive and representatives of the Legislative Council who can command popular support. But as we all know, the functional constituency (FC) elections are not in line with the internationally recognized definition. To have full universal suffrage, we should consider how FCs can be abolished gradually instead of increasing the number of FC seats. Can the Chief Executive guarantee to us that the 2005 reform package will not be revised and introduced to the Legislative Council again?*

**CHIEF EXECUTIVE** (in Cantonese): First of all, regarding the question of FC seats, as we all know, universal suffrage must be popular and fair. This is the commonly accepted principle. The incumbent SAR Government is obliged to draw up the arrangements for the election in 2012 according to the decision of the NPCSC in last December. As for the model of implementing universal suffrage for the election of the Legislative Council in 2020, there are indeed diverse views in the community. Some, just like Mrs CHAN, hold that universal suffrage for returning the Legislative Council should mandate the abolition of all FC seats. Some hold that FC seats can be retained but the method of election should be changed so that while retaining FC seats, we can achieve the principle of universal suffrage, that is, universality and equality.

As we all know, regarding the actual arrangement, which is also provided for in the Basic Law, any change must secure the two-thirds majority support of the Legislative Council. At present, 50% of Members are returned from FCs. We have to convince these Members that the future arrangement will be better, more proper and fairer. If we want to abolish all FC seats, we must put forward very convincing justifications to win the support of these Members. So, this cannot be achieved by mere wishful thinking of the SAR Government. The ultimate decision rests with Members here.

I think that there is no urgent need to decide the model of universal suffrage in 2020. Nor is there a need to make a rash decision as to what is the best way forward. We should adopt an open attitude and listen to the views of different quarters. I believe during the period between 2008 and 2012, the community should place its focus on the democratic elements of the two elections in 2012. After that, we should place the focus on the two methods of implementing universal suffrage after the return of the next term of Government. As we have more than a decade to go, we will have ample room and time to discuss the issue, in particular the issue concerning whether the FCs should be retained. I believe Hong Kong people will make a wise choice.

**MR LAU CHIN-SHEK** (in Cantonese): *Chief Executive, members of the public, in particular the grassroots, are living in dire straits amidst high inflation.*

*According to your opening remarks, I am sure that you will not just sit back and do nothing. But I would like to hear from you categorically what decisive and specific measures will be introduced to help the public.*

**CHIEF EXECUTIVE** (in Cantonese): When inflation is rising drastically, the Government has to respect the operation of the free market. It should understand that the moving up and down of prices is an inevitable process of market adjustment of the demand and supply. The priority task of the Government is to maintain a stable food supply in the light of inflation. As we all know, the Mainland is our major supplier of foods. The Central Government has indicated to the SAR Government that it will ensure the supplies to Hong Kong will meet our demand.

Meanwhile, the SAR Government has also encouraged various sectors in Hong Kong to import foods from different overseas regions, apart from the Mainland, so that our food supplies can be more diversified and more stable, thus alleviating the pressure of supply on the Mainland. As we all know, however, insofar as easing the pressure of inflation on the low-income earners is concerned, we have introduced a series of short-term and medium-term measures since last October. In particular, special measures have also been introduced in the Financial Secretary's budget.

As Members are all aware, we have promised to adjust in advance the rates of Comprehensive Social Security Assistance (CSSA) payments and grant extra payments of CSSA, Disability Allowance and Old Age Allowance to the needy. In addition, we will also offer one month's rent relief to low-income households in public housing, relax the eligibility for transport subsidy of employees who work across districts and provide subsidy on electricity tariff. With the aim of easing the people's burden under the pressure of inflation, these short-term measures will be rolled out gradually in this year.

As I said in my opening remarks, I will focus on this in my policy address this year. I hope I can put forward more specific measures for Members' reference.

**MR LAU CHIN-SHEK** (in Cantonese): *In your remarks just now, you also mentioned a problem, that is, the Government as a gatekeeper in respect of fare increase by public transport operators. As we all know, almost 10% of the monthly expenditure of the grass-roots households is spent on transport. However, as a gatekeeper, the policy of the Government, as you mentioned just now, is to strike a proper balance between the affordability of the public and the interests of the shareholders. In that case, what is the difference between the existing policy and that in the past? In other words, what is the difference between the policy now and that when there was no inflation? This has been your long-standing policy. My question is: As inflation is soaring, will you put the people's affordability first so that it is above the interest of shareholders?*

**CHIEF EXECUTIVE** (in Cantonese): Yes, I will.

**MR ANDREW LEUNG** (in Cantonese): *My question is also about inflation. The Chief Executive has talked a lot about inflation just now. But the inflation rate in March reached 5.3%, a record high in 10 years. In fact, inflation has not only driven those in the lower social sector into dire straits but also eroded our competitive edge. I would like to know whether the Chief Executive has played the role as a co-ordinator ..... the people's livelihood is certainly an important issue. The small and medium enterprises (SMEs) are also facing the pressure of inflation, which has seriously undermined their competitiveness. Despite the numerous relief measures introduced by the Government, we are just like fighting a defensive battle as none of these measures can formally let the public see that the Government has really made a lot of efforts for them, thus enabling them to conquer inflation.*

**CHIEF EXECUTIVE** (in Cantonese): Despite the advancements in technology, there is no single country, no single region or even any kind of technology that can curb or eliminate inflation in any free society, capitalist society or market-oriented society. This is unachievable.

The market force will usually act in such a way that when the market is vibrant enough, inflation will soar to such an extent that it will recede, resulting in deflation before it swings back like a pendulum. This is a basic economic theory and it is impossible to curb inflation entirely by any means.

We also understand the burden of the SMEs and the Financial Secretary has therefore given major consideration to the burden of the middle class, particularly the SMEs, when proposing tax rebates in his budget. But this is subject to limits. I strongly believe that we are not purely passive in this aspect. We also want to play an active role. However, our policies must be in line with market principle instead of adopting a planned-economy approach led by the Government.

**MR ANDREW LEUNG** (in Cantonese): *Can the Chief Executive set our mind more at ease by telling us that the pendulum has reached its fullest swing at 5.3% and is about to make the back swing?*

**CHIEF EXECUTIVE** (in Cantonese): I remember that inflation in Hong Kong once went to double-digit. Such inflation is not unprecedented. The market had been like that.

However, with the advancement in information and technology, we are sourcing our supplies worldwide. In case of a discordant market resulting in a sharp rise in prices of certain commodities, which may only last for a short while, the market will soon find its equilibrium. I hope that such kind of extreme inflation will not occur in Hong Kong and we will do our level best to cope with such a situation. I have just discussed the undesirable impacts of inflation on the people, particularly the grassroots, including the grass-roots commercial organizations and SMEs. This is the target for focused work by this term of Government.

**MS LI FUNG-YING** (in Cantonese): *Chief Executive, according to the media reports, the Transport Advisory Committee has approved the applications for fare increase by public transport operators. When food prices increase, the grassroots may still manage to cope by lowering their standard for food consumption. But when transport fares increase, they are at the mercy of the transport operators. In particular, the increase in transport fares will add to the burden of the grassroots who have to travel across districts to work.*

*I have been urging the Government to extend the cross-district transport allowance scheme to all 18 districts in the territory. In the light of the imminent increase in transport fares, will the Chief Executive reconsider my suggestion? If not, what new measures does the Chief Executive have to help reduce the transport expenses of low-income earners in other districts in travelling to work across districts?*

**CHIEF EXECUTIVE** (in Cantonese): Regarding fare increase applications by public transport operators, as I said when I gave assurances to Members earlier on, we will process the applications in a prudent manner and duly play the role of a gatekeeper. We have put in place a comprehensive mechanism for vetting fare adjustment applications by transport operators, so as to give full consideration to various factors and strike a balance. Just now I have assured Mr LAU Chin-shek that apart from considering the actual situation, we will also make suitable adjustments to the weighting of various factors. We will give a

greater weighting to the grassroots who are living in plights, but we also have to consider the interest of shareholders. This may be different, compared to the weighting that they are normally given, and we are going to do something now.

Regarding the cross-district transport allowance, it is not true that we have a closed mentality. But I would like to study the merits of the scheme after it has been implemented, in order to ascertain whether it can truly provide assistance, whether the extent of assistance is adequate, and how far we can make commitments for it, before we start working in this regard. I very much hope that Members will allow the existing arrangement for cross-district allowance to be genuinely implemented, so that we can find out how improvement can be made after the scheme has operated for some time.

**MS LI FUNG-YING** (in Cantonese): *I would like to tell the Chief Executive that the scheme has served its purpose as a relief measure. But one year after this pilot scheme has been implemented, protection is still confined to four districts with no extension to other districts. May I ask the Chief Executive whether this is discrimination against low-income grass-roots residents of the other 14 districts?*

**CHIEF EXECUTIVE** (in Cantonese): We very much hope to provide as much assistance as possible to some particular districts or districts which are obviously affected by transport problems, because the residents often work in faraway places. Of course, the scheme is not a comprehensive, effective or perfect option, but it still has its underlying rationale and meaning, and also the support of Members. Certainly, an extension of the scheme will benefit more people, but we have to meet the cost out of the public purse. The most important point is whether the provision of subsidy, as we are doing now, is the most effective option. As I told you just now, we do not look at this issue with a closed mentality. If the scheme is proved effective and affordable to us, we will consider how improvements can be made to it.

**MR LAU KONG-WAH** (in Cantonese): *President, when prices are shooting up and price increase has become a common happening of the day, the Chief Executive, in his reply to Mr LAU Chin-shek's question, has clearly stated that*

*he would put the interest of the people above the shareholders'. My question is: Since the current MTR Corporation Limited (MTRCL) is operating under "one railway, two systems" whereas a motion has been passed in this Council urging the MTRCL to extend the use of monthly pass to the whole territory and allow the students in the New Territories to equally enjoy half-fare concession like the urban students, will the Government, as a major shareholder of the MTRCL, give precedence to public interest and make every effort to fight for such concessionary fare for the public?*

**CHIEF EXECUTIVE** (in Cantonese): Mr LAU, I know that many Legislative Council Members also support this proposal, which is exactly what you have been fighting for over the years. As you may probably be aware, even though we are a shareholder of the MTRCL, we are only a passive shareholder and we do not participate in the day-to-day operation of its Board of Directors frequently. The MTRCL is mainly a commercial entity. However, I believe and understand that it is a major transport service provider which should not turn a deaf ear to public opinion. I think your argument is justified, especially after the merger. Your argument seems to be justified. I will make the Government do its best to reflect the public opinion to the MTRCL and hope to see some progress in this aspect.

**MR LAU KONG-WAH** (in Cantonese): *President, as the Chief Executive said, we have been fighting for this over the years and the Chief Executive has promised to take a look at the issue. Does it mean that the MTRCL is soon to offer the concession to all the people of Hong Kong?*

**CHIEF EXECUTIVE** (in Cantonese): I will do our best, but we have to respect the operation of the MTRCL as a commercial entity. Moreover, they have their own discipline and shareholders' interests to take care of. However, I believe your views and arguments are quite strong and they are heard by the MTRCL. As I said just now, I also share your views.

**DR JOSEPH LEE** (in Cantonese): *Chief Executive, the Government has formulated long-standing policies and provided resources to the Social Welfare Department and non-governmental organizations (NGOs) so that they will offer*

*child care service to marginalized families or low-income families, enabling their children to grow up healthily in a family-like and harmonious environment. However, I believe most of the people in the middle class in Hong Kong, in particular the existing middle-class people who are working long hours but earning a moderate income, also hope that their children can grow up healthily and their demand for child care service is therefore very strong. In particular, when the children are studying in kindergartens or Primary One or Two, the parents will earnestly hope that they can go out to work without any worries and their children are placed in suitable care. May I ask the Chief Executive whether the Government has any concrete policies and measures to enable the people in the middle class to enjoy family harmony and their children to be taken good care of? In other words, are there any concrete policies on the provision of quality child care service so that they can go out to work without any worries and see that their children are growing up healthily when they are back at home?*

**CHIEF EXECUTIVE** (in Cantonese): I think Dr LEE is well-versed in child care service as you are in the sector, and you should know it better than I do concerning what arrangements have been made by the Government on its own and through the NGOs. But I think that whatever amount of resources is deployed by the Government is insufficient because "distant water cannot put out a fire nearby". This is mainly because, as I have seen in many housing estates, the parents have to take care of their children. If any unexpected incident occurs, and if the parents have to work night shifts with their children being left unattended, how can they look after their children? If nurseries are set up at distant locations, it is also inconvenient.

Our mindset must be changed as a whole. In other words, we should consider how to secure voluntary service in the community. The Government should, of course, provide suitable assistance and support so that in each and every community and small social group, child care service is provided on a voluntary basis at the neighbourhood level in the form of mutual help and assistance. I consider this the ideal solution. I consider that only by adopting such an approach can the needs of the grassroots and the people in the middle class be fully met.

The Government will certainly not reduce its commitment in this aspect. But it is impossible to meet all the genuine needs if we rely on the Government alone to build special buildings and facilities to take care of the children. So, my current idea is that the Family Commission may play a role. It will shortly study how the spirit of mutual assistance among families, in particular the small social groups, can be promoted. And through government subsidy or mutual help, they can organize themselves to provide the relevant child care service. I consider this a better arrangement.

Of course, these are not complementary in nature. The Government will still construct special facilities to take care of families who have special needs and will continue to provide child care service on a sustained basis.

**PRESIDENT** (in Cantonese): You do not have a follow-up question?

(Dr Joseph LEE shook his head)

**DR YEUNG SUM** (in Cantonese): *Chief Executive, the recent earthquake in Sichuan is most devastating and I believe Hong Kong people are very concerned about it. If the Government needs more funding, I hope it will submit an application to this Council expeditiously and we will certainly give our full support.*

*I would like to ask a question about the built environment. It has been decided recently that Hopewell's 1994 proposal for the MegaTower in Wan Chai will basically be adopted so that a 93-storey skyscraper will be constructed. Despite the strong protest by residents at the mid-level and hillfoot area, the proposal has been approved by the Town Planning Board (TPB) according to law.*

*Hopewell owns a site which is only 5 000 sq m in area and the 4 000 sq m of land in its vicinity is owned by the Government. I have learnt from the Lands Department today that the Government and Hopewell has started a land exchange process. I have this question for the Chief Executive. As the proposal was approved in 1994, which is more than a decade ago, should the Government transfer interest to a property developer by handing over the*

*4 000 sq m Government lot to Hopewell despite the prospective payment of premium, in the light of the people's concern about the environment, the ridgeline of Hong Kong Island and the traffic congestion in Kennedy Road and Queen's Road East? Will the Chief Executive especially revisit the matter from the perspective of public interest and people's current concern about environmental protection and the ridgeline?*

**CHIEF EXECUTIVE** (in Cantonese): Even though I very much wish to know everything which is happening in Hong Kong, I may not be able to grasp the background of a special case which has suddenly been raised. But the case has also been reported by the press. I believe Dr YEUNG should understand as I do that once a matter has been approved through a statutory procedure, it cannot be overturned lightly. Otherwise, the Government will lose its credibility. So will the legislation and the statutory procedure. So, I believe it will be a very significant matter if we try to overturn any established procedure. Moreover, it is not purely a matter in Hong Kong. Nor is it simply a matter concerning the protection of the local ridgeline. Rather, it is a matter concerning whether or not, in the eyes of foreign investors and the general public, we respect the spirit of contract and the spirit of law. This is also very important.

However, I also understand that residents of the district concerned have reservations about any tall buildings. In particular the development of Wan Chai, I have also attached importance to it and made numerous inspections there. I appreciate the conservation work done in the district, but I have no idea whether there is still room for improvement. Dr YEUNG, perhaps let me check up the case with my colleagues after the meeting so that I can give you a written reply. Do you agree?

**DR YEUNG SUM** (in Cantonese): *As a legislator, I also highly respect the law and I am not seeking to overturn the decision of the TPB. I only wish to make it clear so that all Hong Kong people understand that Hopewell only owns the 5 000 sq m of land. For the adjacent 4 000 sq m, it belongs to the Government. Is it necessary for the Government to allow a property developer to build a 93-storey building — I repeat, a 93-storey building — under the current circumstances and at the current moment for the sake of facilitating the property developer? Why should the Government act in a complementary manner? The*

*act of the Government is equivalent to turning a blind eye to public interest. I am not asking you to overturn the TPB decision, and the building can still be built all the same. But the question is, if the property developer has only 5 000 sq m of land, it is impossible to build a 93-storey building. The Government should not give it a boost in damaging the environment, thus giving rise to an issue which has aroused strong opposition from the residents at the mid-level and hillfoot area of Wan Chai. I just hope that the Government will not give it a boost by playing a complementary role. In respect of the Government land, the Government does not have any legal liability at all.*

**CHIEF EXECUTIVE** (in Cantonese): I have no idea and cannot grasp the information concerning the land exchange arrangement you have mentioned. Do you mean that even though the TPB has approved the project, we can still disallow the construction of the building by exploiting some loopholes in the contract or whatever?

**DR YEUNG SUM** (in Cantonese): *Please let me clarify. I am not telling you to make use of the loopholes because we are very honest and keep our words. There is no need to conduct any under-the-table deal. The property developer can still construct a building on its lot of 5 000 sq m and the Government needs not deploy its 4 000 sq m of land.*

**PRESIDENT** (in Cantonese): Chief Executive, may I suggest that you take follow-up action on this after you have grasped the matter?

**CHIEF EXECUTIVE** (in Cantonese): Fine. As I said just now, I will provide a written reply on the case. (Appendix I)

**MR JEFFREY LAM** (in Cantonese): *Chief Executive, last month, the Foreign Ministry of China issued a statement stating that it would follow the practice adopted in previous Olympic Games and by the organizers of other major international competitions to make new visa arrangements for foreigners in accordance with the laws and regulations of China. Some foreign businessmen*

*told me that in the past, they were granted multiple visas, but now they could only get single visa. Hong Kong is the window to Southern China. In the past, we have done a lot of promotion and successfully solicited many foreign-funded enterprises to set up headquarters in Hong Kong. They said the latest arrangements would have severe impact on them, while their operation would be adversely affected in some measure. We are gravely concerned about this. May I ask the Chief Executive in what way the authorities can assist foreigners working in Hong Kong and those establishing headquarters here to obtain multiple visas as soon as possible?*

**CHIEF EXECUTIVE** (in Cantonese): I know there are complaints from foreigners about the difficulties encountered in applying for Chinese visas recently. The SAR Government has already conveyed their views and concerns to the relevant departments of the Central Authorities. As far as I understand it, the mainland authorities will continue to welcome these foreigners to go to China for work and travel. The arrangement for these foreigners, particularly those who have resided in Hong Kong long term, will not be affected. Since these foreigners usually have good reasons to go to the Mainland, like travel and business, the arrangement for multiple entries will continue to be applicable to them. Therefore, in case any applicant of individual cases encounters difficulties, and when it is considered necessary, we are willing to reflect to the Central Authorities. However, as far as I know, for legitimate businessmen who have a genuine need to conduct business in the Mainland, the Central Authorities said after consideration that there is no insurmountable difficulty in particular at present. However, if any special case arises, will Mr LAM please inform us, so that we can again reflect this to the Central Authorities?

**MR JEFFREY LAM** (in Cantonese): *Chief Executive, some of them have resided in Hong Kong for many years and obtained multiple visas for a number of times. However, recently, they told me that the application time required had become much longer now. Will you reflect their views and assist them as soon as possible? Since they need to visit the Mainland almost every day, the present situation has already posed some problems to their business operation.*

**CHIEF EXECUTIVE** (in Cantonese): You mean they can still get multiple visas but only the application time required is longer?

**MR JEFFREY LAM** (in Cantonese): Yes.

**CHIEF EXECUTIVE** (in Cantonese): I believe a more prudent approach has been adopted in this respect recently. In relation to the staging of the Olympic Games, the authorities have made a lot of undertakings to the organizer of the Olympic Games, including security arrangements, and the Mainland has thus introduced special measures. I understand these situations and I will continue to gain a better understanding of the relevant circumstances. If there is any inadequacy in the present arrangement which has affected foreigners residing in Hong Kong on a long term, we will try our best to help them.

**MR DANIEL LAM** (in Cantonese): *Chief Executive, Hong Kong is densely populated while its supply of land resource is limited. The Heung Yee Kuk always considers that on account of inflation, more people will be attracted to live in the rural areas of the New Territories and outlying islands if the transport fares can be cheaper. The crowded situation in the urban areas will then be alleviated.*

*The government coffers are swelled with revenue in this financial year. May I ask the Chief Executive whether he will consider increasing the payments under the Transport Support Scheme, as suggested by Members earlier, or try to increase the non-fare box revenue of land transport and ferry operators, so as to spare the residents of the New Territories and outlying islands of the hardship brought about by expensive transport fares?*

**CHIEF EXECUTIVE** (in Cantonese): I believe we are thinking in the same direction. However, we have reservations about providing direct subsidy. As for all the other relief measures, including approaches that can increase the non-fare box revenue of individual transport service providers, we will by all means work on it through mutual agreement and under the existing legal framework.

However, Members have to understand the difficulties faced by operators. Recently, I know that ferry services in particular — I believe Mr LAM is also worried about the ferry service for outlying islands — are facing some significant difficulties. As far as I know, various ferry companies are now running at a loss, for the costs of energy, fuel and diesel oil are very expensive. They are also in a predicament. We also have to take this factor into account, for if they eventually fail to survive and have to shut down, the problem will be even more serious. We have to examine ways to strike a balance in this respect.

Nevertheless, I hope that Mr LAM will appreciate and understand one point, that is, the surplus now held by the Government is only one-off in nature, which is subject to fluctuation. Members all know that the tax base in Hong Kong is not broad. Though we enjoy a surplus now, it does not mean that we will have a surplus in the long run. Moreover, these surpluses are unstable. A few years ago, we did incur a deficit. Therefore, we should not introduce long-term or recurrent subsidies just because there are surpluses in a couple of years — this is not necessarily the best approach in protecting public interest.

However, I appreciate the pressure of transport expenses on the grassroots. This brings us back to the point I mentioned at the outset. In respect of inflation, we wish to make some specific arrangements and see how the problem can be addressed. I will attach more importance to and do more about this problem in the policy address. I have been spending sleepless nights to think up a solution to the problem.

**MR DANIEL LAM** (in Cantonese): *President, the New Territories Heung Yee Kuk thanks the Chief Executive for his reply. Actually, we also have to thank the Secretary for Transport and Housing, for she has earlier on added another item for generating non-fare box revenue, such as the development of superstructure on the pier. May I ask the Chief Executive whether an inter-departmental task force sharing the same vision will be set up to achieve a win-win situation?*

**CHIEF EXECUTIVE** (in Cantonese): You should never underestimate the influence of Secretary Eva CHENG. She has not only influenced other Secretaries but also me, the Chief Secretary for Administration, the Financial Secretary and the Secretary for Justice, but also pulled us together to think about this problem.

Concerning ferry services, that is the ferry service for outlying islands and the issue of transport subsidy, I can tell you that in a number of morning reviews, we have all focused on the discussion on this problem and we will continue to do so. However, we have to strike a proper balance eventually, for we do not want to see these transport services being affected. But there are after all costs for running transport services, and operators have to make some return at least, otherwise, shareholders will cease the operation. A proper balance must be struck.

**MR ALBERT CHAN** (in Cantonese): *President, to the natural disaster befallen our compatriots, the SAR Government has responded swiftly, but to the human disaster caused by the broadcasting policy in Hong Kong, it has turned a blind eye to it and responded slowly.*

*Over the years, no progress has been made on the broadcasting front. Apart from North Korea and Burma, restrictions imposed on the airwaves in Hong Kong should be the most stringent. The closed sky has muddied the politics here in Hong Kong, where the power to monitor the Government is severely hamstrung. President, let me cite a simple example. We have just received a summons, but a mistake is found in the English version. There is a sentence in the summons which uses the phrase "at the part-time pedestrian near the junction" as the Chinese equivalent of the term "行人專用區", which means pedestrian precinct. Just now, I, together with Mr Martin LEE, asked the Secretary about this, but he was reluctant to give an answer.*

*President, I only want to ask a question about the muddy situation. On the issue of opening up the sky or the airwaves, how can we make the Chief Executive change his present obstinacy, so that he will return the airwaves to the people and let them have their own radio stations, including community radio stations and minority radio stations?*

**CHIEF EXECUTIVE** (in Cantonese): Actually, the sky in Hong Kong in the context of dissemination of information is one of the freest in the world. I think the adjectives you used just now are most imaginative. With regard to the broadcasting industry at present, one can readily achieve this purpose via the Internet, yet you insist on doing what you want by the conventional mode or means of communication.

However, I do not want to dwell on this incident, for it is related to a prosecution. The Secretary for Justice has warned me that the Court is now processing the case, and I should not comment on this liberally. Another point is on the existing constitution, since this is also related to a case now being processed by the Court, I should not say too much here. However, I hope Members will understand one point, that is, the Telecommunications Ordinance is now in effect, with legal effect. This fact is known to all. Moreover, we have informed the persons concerned of this clearly, and they understand that the Ordinance is effective. If anyone tries to act against the Ordinance, the law-enforcement agencies definitely have to discharge their duties.

**MR ALBERT CHAN** (in Cantonese): *No wonder the broadcasting policy in Hong Kong is so outdated, for the Chief Executive is confusing broadcasting with telecommunications. Chief Executive, I have to tell you that the Internet is not a broadcasting means, but a telecommunication means. Broadcasting refers to the transmission of information via airwaves. As you confuse broadcasting with telecommunications, you are holding up the progress of the broadcasting policy. Will the Chief Executive do more homework on this issue after the meeting to understand the prevailing problems with the broadcasting policy, so that an early liberalization of the airwaves will be achieved and justice be done to the public? On telecommunications issues, the Government should no longer take cover in the tortoise shell, without making any progress.*

**CHIEF EXECUTIVE** (in Cantonese): Telecommunications and broadcasting are media for transmitting information to the public. They are differentiated by law in an archaic manner. Nowadays, all modern regulation adopts the same mode of management, and all these are dealt with together now. If you say that in the past, one issue was subject to the regulation of a certain ordinance while another issue was regulated by another ordinance, and that the airwaves in Hong Kong are opened on a certain front but not the other, you are wrong!

**MR ALBERT CHAN** (in Cantonese): *Will the Chief Executive clarify whether the two aspects are subject to the same ordinance? Are telecommunications and broadcasting regulated by the same ordinance?*

**CHIEF EXECUTIVE** (in Cantonese): No, they are not.

**PRESIDENT** (in Cantonese): I think this issue can be followed up after the meeting, for .....

**MR ALBERT CHAN** (in Cantonese): *President, I .....*

**PRESIDENT** (in Cantonese): You do not have to get angry, for a number of Members are waiting for their turns. Let me help you find the government officials concerned after the meeting to follow up this, will you?

**MR HOWARD YOUNG** (in Cantonese): *Chief Executive, Mr Andrew LEUNG mentioned the pressure faced by small and medium enterprises under inflation earlier. I would also like to ask about the inflation issue, but my focus is on the pressure faced by the grassroots. It is reported that inflation is so rampant now that even the quality of meal delivery service for the elderly is affected. By the same token, grassroots are facing tremendous difficulties in affording staple food and daily meals. May I ask the Government whether there are specific relief measures to ease the increasing burden faced by the grassroots in their daily life? For instance, the Secretary for Labour and Welfare said that the Comprehensive Social Security Assistance (CSSA) payments would be adjusted ahead of the normal schedule in accordance with the existing mechanism around the middle of this year. Will this be done before July?*

**CHIEF EXECUTIVE** (in Cantonese): At present, the subsidy for subsistence of the elderly is provided in two modes in addition to meal delivery arrangements. First, allowances are provided under the one-line vote system. Second, we will pay the service charge to the operators according to the contracts. Under these two systems, the amount concerned is adjusted annually according to the price index. As food prices account for more than 50% of the index, we will surely increase the subsidy grant for the service every time when adjustment is made, particularly when the adjustment is caused by an increase in food prices. I believe Secretary Matthew CHEUNG has already assured Members that we will address this issue in the middle of this year. But in exceptional circumstances,

like the prevailing rampant inflation, the review will be conducted at an interval of six months, and the next review will be conducted in the middle of this year. We will deal with the issue as soon as possible. I hope that in the next adjustment, the temporary stretch in service noticed at present will be greatly relieved.

**MR HOWARD YOUNG** (in Cantonese): *In strengthening the safety net for the grassroots, in addition to giving away cash under CSSA, the SAR Government has indeed set a precedent in providing allowances for specific purposes, such as education vouchers, health care vouchers and transport allowance, and so on. In respect of food purchase, there are overseas examples of issuing food vouchers. May I ask the Chief Executive whether the SAR Government has examined the feasibility of introducing that concept into Hong Kong society? What are the pros and cons? Is it feasible? Have you started examining the issue?*

**CHIEF EXECUTIVE** (in Cantonese): We have gone far beyond the mode of issuing food vouchers; we are now in the mode of making cash payments, which is a higher level, for this offers more choices to recipients. In other words, we are not going to backtrack now and give away food. At the earlier stage, the Social Welfare Department initially considered it difficult to make cash payments, and subsidy was thus provided in the form of in-kind food, such as canned food, dried food, and so on, to help the grassroots in poverty. However, we have now adopted the CSSA system, under which monetary subsidies are provided. I believe all grassroots will prefer subsidies in monetary terms given the choice. Therefore, in the budget this year, we have increased special funding to provide one additional month of payment to CSSA recipients. We hope that on receipt of the additional payment, CSSA recipients can fully utilize the money to buy more food or to use it for other purposes, but the aim is to let them have more flexibility.

**MR WONG TING-KWONG** (in Cantonese): *President, Mr TSANG, I wish to express my commendation and gratification to the SAR Government under your leadership for responding swiftly to the disaster relief work on the Sichuan earthquake. We will by all means co-operate with the Government and do our level best to help our nation to tide over this disaster.*

*I would like to ask the Chief Executive a question. The Democratic Alliance for the Betterment and Progress of Hong Kong (DAB) has persevered over the years for the implementation of the "co-location of clearance in Hong Kong". In the motion debate proposed by me last week, the SAR Government also acknowledged that the implementation of "co-location of clearance" in Hong Kong would be conducive to the development of Hong Kong from the transport and economics angle. The SAR Government also stressed that it would not act in "slow-motion". However, it seems to be paying lip-service only, and no action has been taken. Particularly on the implementation of the "co-location of clearance" at the Hong Kong airport, the SAR Government has not taken any action so far, neither has it conducted any feasibility study. In that case, where is proof that the SAR Government is not acting in "slow-motion" on this issue?*

**CHIEF EXECUTIVE** (in Cantonese): Mr WONG, in fact, the "co-location of clearance" arrangement has already been implemented. At the Shenzhen Western Corridor, the "co-location of clearance" arrangement has been implemented. So, please bear in mind that we have already started implementing this measure.

Regarding the implementation of the "co-location of clearance" arrangement, I recall that a motion debate on this issue was held recently, but that motion failed to gain the support of the Members of the Legislative Council. For reasons unknown, it seemed that some Members were knowingly absent from the debate. I do not know the reason, and I am also upset about this. I share your opinion that the "co-location of clearance" arrangement is a feasible option, for it will particularly promote the further integration of the economies of Hong Kong and the Mainland, boosting our penetration rate in the mainland market substantially.

We will continue to work hard in this respect. I believe, Mr WONG, you do not have to persuade me to do so, for I am convinced about it, but you have to convince other Members.

**MR WONG TING-KWONG** (in Cantonese): *President, this motion debate was proposed by me last week, but unfortunately, it was negated under the separate voting system. I believe I will continue to lobby Members to deal with the issue*

*properly. However, regarding the point I raised earlier, that is, to implement the "co-location of clearance" arrangement within Hong Kong, you have already stated it unequivocally. I think I do not have to persuade you any further, for you have already agreed with this.*

**PRESIDENT** (in Cantonese): This is not a question, and the Chief Executive does not have to answer it.

**MR WONG KWOK-HING** (in Cantonese): *President, Chief Executive, I would like to ask you a question on an issue about which wage earners are gravely concerned, that is, "when one sweats, one earns wages".*

*To date, the Employment Ordinance, which has been enacted for 40 years, still fails to plug this loophole. Many wage earners who are owed wages fail to recover their wages in the end despite the mediation of the Labour Department and winning their cases in the Labour Tribunal. Among the 1 008 cases involving more than 2 000 employees last year, the employers of one seventh of the cases have defied the judgment of the Labour Tribunal, which ordered the payment of wages by employers. But these employers refuse to pay.*

*Under such circumstance, will you include this issue in the policy agenda of the policy address you will deliver in October, so that in less than half of your term, that is, in the first Session of the next term of the Legislative Council, this problem will be solved? For this is a long-standing, grave and thorny problem which illustrates that the rights of wage earners lack protection.*

**CHIEF EXECUTIVE** (in Cantonese): Mr WONG, the actual figures may be higher than the 1 008 cases you mentioned, for some workers may have put up with this silently and dare not winge about it. It is possible. I agree that the situation you mentioned exists, and I am gravely concerned about it. We should not wait until October, nor do we have to wait till October. We should think of a solution, but definitely it should not be considered unilaterally, and the interests of various parties have to be taken into account.

As far as I know, the Secretary for Labour and Welfare has already consulted the Labour Advisory Board (LAB) and the Legislative Council in this

connection to see how the problem can be addressed. Criminalization is an option that can be considered. You may help us think of the best way to handle this issue. Do not wait until October, and let me remind you what you should do. We may instead co-operate and work out how this issue should be tackled. I think those employers are unscrupulous, and this problem should be dealt with.

**MR WONG KWOK-HING** (in Cantonese): *President, the response given by the Chief Executive just now sounds very proactive, for he said we would not have to wait till October. However, Chief Executive, this is not the actual reality. For during the recent discussion in the Panel on Manpower, Secretary Matthew CHEUNG said that the seven measures were for discussion only, not proposals from the Government. In other words, there is no initiative.*

*So, in such case, I suggest that you had better think of some solutions in the policy address in October. However, if the Chief Executive says in his response today that we do not have to wait till October, we will definitely welcome it. But I really hope that some concrete and specific measures will be introduced. We have already met with Secretary TSANG and told him that when wage earners who fail to get their wages want to apply for legal aid, they have to undergo a means test, otherwise, legal aid will not be granted. However, in terms of human rights, when it is related to the Bill of Rights and the International Covenant on Civil and Political Right, legal aid should be granted without any means tests.*

*But now, for cases of wages in arrears, the workers concerned still have to undergo a means test, and if they cannot pass the test, they will not be able to get the money. Chief Executive, do you know the truth of these cases? So, though you say it should be dealt with before October, I hope that before this Session of the Legislative Council ends on 9 July, you will break good news to us, so that the problem of all the wage earners in Hong Kong can be solved .....*

**PRESIDENT** (in Cantonese): Mr WONG Kwok-hing, your follow-up is almost longer than your original question.

**MR WONG KWOK-HING** (in Cantonese): *I hope the Chief Executive will respond to this.*

**CHIEF EXECUTIVE** (in Cantonese): Every measure put forth by the Secretary is a proposal raised for discussion by Members. You say these proposals are not concrete measures, but indeed each of these proposals will become a concrete measure with the endorsement of Members. When there is a consensus, these measures will be implemented. This is the way of Hong Kong society.

Even though we, the SAR Government, are concerned about a certain issue, and Mr WONG is also concerned about that issue, we cannot draw up a proposal and legislate on it immediately merely based on this. We cannot do that. Members are all conversant with the procedures of enacting a law. Such legislation is impossible in this Session. It is already May now, how can this be done when a proposal is not yet available and a draft has yet to be drawn up?

However, I think we should not wait too long, nor should the solution be left to my thinking, for we can consider the issue together. I know and understand the problem, and I have paid attention to it for a long time. I am also concerned about this. I know that the problem has grown to critical proportions. You said earlier that of the 1 008 cases, one fifth, around 20%, of the employers have not acted in compliance with the judgment. But I often think that the actual number of such cases may be higher than the reported figure, for many employees who were short changed chose not to make any noises. I think the situation is very serious.

But we must find an effective approach, the best proposal acceptable to Members, to solve the problem. Procedure-wise, this must be discussed by the LAB, which certainly will express their views and state which proposal is feasible. The relevant committees of the Legislative Council will also express their opinions. It is only after that can we work on this respect. We will incorporate proposals which various parties consider feasible and draw up some concrete proposals. I think we should not wait. I mean Members should not wait for me to think about it in October. Members may think about it together now, fine?

**MR ALAN LEONG** (in Cantonese): *Chief Executive, recently, we noted that some Members of the Executive Council had openly discussed issues like whether or not legislation should be enacted for minimum wage, and whether or not the Wage Protection Movement had been successful. I wonder if the Chief*

*Executive will consider such practice a violation of the rule of collective responsibility and confidentiality. If the Chief Executive considers these violations, what will he do?*

**CHIEF EXECUTIVE** (in Cantonese): I always attach great importance to and respect the rule of collective responsibility and confidentiality. I will definitely uphold this operating principle of the Executive Council. This will remain unchanged. If anything does happen, we will surely discuss with the individuals concerned and see how the incident should be dealt with. However, I believe all of them, like all the people of Hong Kong, also have the right to express opinions. According to this principle, there should be some flexibility.

Regarding minimum wage, I have already stated my resolve in this respect. I very much hope that we can reach a consensus on the issue as soon as possible, so that we can do what we should. However, I think we should allow the Wage Protection Movement to run for some more time, so that it can fully ..... As I have undertaken that it would run for two years, it should then be run for two full years. Besides, in the course of the Movement, if one more employer joins the Movement, one more group of workers will benefit immediately. So, we should not give up.

Concerning individuals who have expressed views about the issue, I respect their freedom, but every Member, be he or she Member of the Legislative Council or the Executive Council, should comply with his or her own working principle and the rules of the legislature.

**MR ALAN LEONG** (in Cantonese): *President, can I take the Chief Executive to mean that from now on, a new mode of operation will be adopted by the Executive Council, that is, Members can express their own opinions in public? The Chief Executive said earlier that he would examine individual cases in specific terms. May I ask whether the Chief Executive has examined the incident this time around? What is the result of the examination?*

**CHIEF EXECUTIVE** (in Cantonese): It is inappropriate of me to disclose information on individual cases. I think you also do not want me to talk about

individual cases in specific terms, for that is inappropriate. However, as I said before, I have great perseverance to uphold the confidentiality rule and the collective responsibility system. My stance remains unchanged.

**DR RAYMOND HO** (in Cantonese): *May I ask the Chief Executive whether he knows that before the outbreak of SARS .....*

**CHIEF EXECUTIVE** (in Cantonese): Pardon, what are you referring to?

**DR RAYMOND HO** (in Cantonese): *SARS, that is, Severe Atypical Respiratory Syndrome. Before the outbreak of SARS, the Government paid a monthly salary of some \$16,000 to young engineers, but they are only paid some \$11,470 now. Hong Kong now has an enormous surplus and the economy has recovered. Moreover, when these engineers joined the service, their professional experience was not counted, and their opportunities for promotion are limited. Under such circumstances, is the Chief Executive worried about the problem of manpower and shortage of experienced staff when the Government implements the 10 major infrastructure projects in future?*

**CHIEF EXECUTIVE** (in Cantonese): There are two questions here. First, at present, staff are employed as contract officers on non-civil servant terms. However, we are gradually converting the 4 000 existing posts to the official permanent establishment on a need basis. I trust the arrangement will be beneficial to engineers now working in various works departments. We will particularly need their assistance when we implement the infrastructure projects in future. We will assess the resources required according to the present infrastructure development arrangements and restructure the establishment. In this way, I believe we will in some measure live up to the expectation of colleagues joining the service previously.

On the other hand, however, contract staff, like other people of Hong Kong, will have pay cuts in times of economic downturn and pay rises when the economy recovers. This is only natural. Not only contract staff, but also

employees of the Government have been subject to this tough challenge. However, I earnestly hope that the economy of Hong Kong will continue to grow, so that our wages will be adjusted constantly according to economic factors and market demand.

**DR RAYMOND HO** (in Cantonese): *President, the Chief Executive does not seem to understand that this trade has a close relationship with his grant programme on the 10 major infrastructure projects. Neither does he understand the market situation. At present, it is impossible to recruit young engineers at a salary of less than \$13,000 or \$14,000. In that case, how will good engineers be willing to join the Government? Upon appointment, the terms offered are poor. When they applied for the post, they had to declare whether or not they were willing to take up the post if not all their professional experience was counted. They naturally would accept such terms and declare that they were willing to join the service even all their experience was not counted. Otherwise, what is the point of submitting such an application? In other words, they were forced to sign a disclaimer, and such circumstance is definitely putting the trade in an unfair position. I hope the Chief Executive will personally look at the situation of the trade seriously. I have raised this issue a number of times in the past, but it appears that the Chief Executive is not willing to really understand the plight of the trade.*

**CHIEF EXECUTIVE** (in Cantonese): Mr HO, I think yours is an overstatement. Concerning the understanding of the trade, my understanding is certainly less thorough than yours. However, I do appreciate the difficulties faced by our colleagues. As I told you earlier, in view of the prevailing needs of works projects, there is a need to review the resources required. We will make some remedies on the establishment front, and these will surely bring improvement to the remuneration of the existing engineers.

Mr HO also said that I did not understand how serious the impact was when salaries higher than the existing salaries of these engineers were offered outside. This will surely have some impact and affect the wastage rate. We are keenly concerned about the wastage issue. When the wastage rate is high, we will naturally adjust their salaries in the light of the market situation. There is a need to do so.

However, the most important point is that I earnestly wish to offer a lifelong career opportunity to engineers, be they on permanent establishment or contract terms, working in the SAR Government, so that they can put in better performance. In view of the present demands from infrastructure development, I strongly believe that if the SAR has to make continuous investments in infrastructure, there will be a keen demand for works staff. There is such demand. Under this circumstance, I hope they will be willing to join the Government. I think this is the best solution to the problem long term.

**MR LEUNG YIU-CHUNG** (in Cantonese): *President, in the Chief Executive's reply to Mr LAU Chin-shek's question on fare increase applications submitted by the public utilities concerned, he said that the Government would accord higher priority to the interest of the public than that of shareholders. However, in his reply to Mr LAU Kong-wah's question about student fares, the Chief Executive said that the Government being a shareholder of the MTRCL was only a passive shareholder. Moreover, the MTRCL, being a commercial organization, should base its objective on commercial principles.*

*May I ask the Chief Executive whether he considers his earlier remarks inconsistent and self-contradictory? For you said earlier that you would act in accordance with the interest of the public, but you then said a commercial organization must operate according to commercial principles. If you are not being self-contradictory and inconsistent, Chief Executive, will you tell us specifically how your earlier response to Mr LAU Chin-shek, which stated that the interest of the public would take precedence before that of shareholders, is manifested?*

*For instance, the Transport Advisory Committee (TAC) has already made responses to the fare increase requests made by a number of public utilities, will the Chief Executive instruct Secretary Eva CHENG to disregard the recommendations of the TAC and simply shelve all fare increase applications this time around to alleviate the burden of the public until there is an increase in their income, say after the legislation on minimum wage? Will the Government do so as a specific response to the Chief Executive's earlier remark about what he "will" do?*

**CHIEF EXECUTIVE** (in Cantonese): *President, I do not see that the two remarks are contradictory in any sense. I have made it crystal clear. In the*

former case where public transport service providers apply for fare increases, the Government should a tilt in some measure. In the latter case, since it involves investment in the market, we should adopt the attitude of shareholders. The two remarks are not contradictory in any sense.

**MR LEUNG YIU-CHUNG** (in Cantonese): *President, as for whether it is contradictory, different people may have different views. However, the Chief Executive said earlier that he would accord priority to the interest of the public. May I ask whether the Government will shelve the fare increase this time around to alleviate the burden borne by the public in living? Will there be some more aggressive measures? Actually, Ms LI Fung-ying has also said earlier that transport expenses are exerting a heavy pressure on the public, and they can hardly make ends meet. How can the Chief Executive alleviate the pressure they encounter on this front? I think the Government should have some specific measures showing that the interest of the public comes before that of shareholders, instead of mere remarks that something "will" be done.*

**CHIEF EXECUTIVE** (in Cantonese): The attitude we adopt in vetting these fare increase applications is indeed the specific measure so to speak. As far as I understand it, the mechanism has just been kick-started. The issue will be referred to the TAC to handle, and we will handle the issue cautiously. As a government, we can never ignore established procedures, established legislation and established regulations. We are unable to do what Mr LEUNG suggested earlier, for we must act in accordance with established regulations and procedures.

With regard to our attitude, I have made it very clear earlier. Particularly at this time of high inflation, when the public, the grassroots in particular, are bearing a heavy pressure, the Government will adopt an attitude tilted towards a certain sector. I can unequivocally assure society that this is the case.

However, we have to know and bear in mind that when this is done to a certain extent, the companies concerned will suffer a loss. We cannot do that. For this reason, I can only state the attitude I adopt on certain issues. Moreover, we cannot take advantage of the shareholder status of the Government in a company which carries its investment, and thus take no account of or even

ignore the interest of the company to act arbitrarily at will. This is impossible. In that case, it means the Government may request universities receiving government subvention to observe absolute obedience. It also means that the Government, which has invested in the Disneyland, may control and make decisions on all the internal affairs of the Disneyland. But we cannot do that. What I want to say is that I believe Members will also understand our stance and approach.

**MR ALBERT HO** (in Cantonese): *Chief Executive, I am afraid just now you not only failed to answer Mrs Anson CHAN's question on political development. Your reply also invited our worries about some deep-seated problems. What is the crux of the problem? According to your ideas, it turns out that the election of functional constituencies can be a form of universal suffrage, and it also meets international standards. I really find that astonishing. If this is the case, then there is no need for the Basic Law to delineate direct elections and the elections of functional constituencies. If this is the case, then the political reforms proposed by Chris PATTEN would not have to get off the "train" after the Standing Committee of the National People's Congress (NPCSC) had called it unconstitutional and a violation of the Basic Law.*

*However, the Chief Executive also pointed out the core of the matter, that is, if Hong Kong were to carry out constitutional reforms in future, Members from the functional constituencies have to be convinced to relinquish willingly the functional constituencies or to agree to certain modifications. If this is the case, then the election timetable laid down by the NPCSC in its interpretation of the Basic Law, and the proposals concerning 2017, 2020, and so on, will not realize, because some people may hold it back, unless we agree with some bogus democracy or a democracy which does not meet international standards of democracy, but does it make any sense? Can the Chief Executive tell us whether or not 2017 and 2020 is just a goal that we can only fantasize, while the relevant proposal will probably be negated because we cannot meet the requirements of the functional constituencies with regard to asking them to give up their exclusive interests?*

**CHIEF EXECUTIVE** (in Cantonese): I think the question before us is that universal suffrage meet the principles of universality and equality, but if

additional frameworks are to be established under these principles, such that the scope of our discussion is narrowed and the conflict in the current discussion expanded, I consider that unnecessary at this stage.

Indeed, there are some ways to expand the existing functional constituencies, or to achieve universality and equality through other means on the basis of the source of votes. We can openly discuss this issue. I am not saying that I think my proposition is the best, but I am open about this. However, I think that as we have more than 10 years' time at this stage, I hope that not only me, but also Members will adopt an open attitude to listen to views from all sides, and to be more accommodating in dealing with this issue.

If everyone only sticks to his or her own way, it will mean trouble. We should also ask, "Why are there some funny aspects in the most advanced democratic system? Why is there a bicameral system? Why is there a lifetime appointment system in the British Parliament? Why is there indirect election in the United States?" Because they have to cater for their own political, geographical and social needs. We have to understand that the current situation of Hong Kong is not a blank piece of paper.

In addition, any constitutional change or reform will require two thirds support of Members of the Legislative Council, which is an established fact, not created by me. Therefore, if a bill is not supported by the majority of Members from the functional constituencies, this problem can never be solved. This is not created by me; this is after all the current constitutional arrangement. We have to face the reality, and we have to adopt an accommodating attitude towards these issues.

Thirdly, with regard to the selection of the Chief Executive by universal suffrage in 2017 and the election of the Legislative Council by universal suffrage in 2020, I believe they will definitely be conducted in Hong Kong, and we will certainly come up with an arrangement which is considered universal and equal by the international communities. I am not discouraged; in fact, I remain very much assured. This is something neither Mr HO nor any other Members can withhold. When the people of Hong Kong have reached a consensus, "everything will be fine at the end", and we will get the job done. I believe that it can be achieved naturally, and there is no need for worry.

**MR ALBERT HO** (in Cantonese): *President, if there is disagreement even on the most basic ideas, I do not know how a consensus could be reached. It turns out that the functional constituencies elections could be turned into popular elections after some make-up, then, how can a consensus be reached? Is the resultant popular election true universal suffrage? This is the biggest problem.*

*But how can this problem be solved? In fact, it is not insolvable. We have to start from the end. If we do not make it clear when the end is, then it would be meaningless to talk about 2012, because we do not know which direction we are heading.*

*I have this question for the Chief Executive. Can you really honour your pledges by doing something big within your term of office, and the term "something big" means that you will make clear what an election by universal suffrage that we have asked for would be staged in 2017. Will it be a low-threshold universal suffrage acceptable to everybody? No more bogus direct elections in 2020. Instead, genuine direct elections should be conducted. Please not do make-up for those functional constituencies anymore. In your capacity as the Chief Executive, you are also a gatekeeper. Will you take the lead to form the consensus in these few years first? In the glorious moments of your political career — you still have a few more years in office — can you accomplish this historical task?(Laughter)*

**CHIEF EXECUTIVE** (in Cantonese): With regard to fulfilling the pledge of achieving universal suffrage under the Basic Law in the Hong Kong Special Administrative Region, I have done what I should do, and I have explained to society our timetable for universal suffrage, and I have no doubt that this day will surely come. My current aim is to further improve the existing arrangements for the 2012 election, so as to lay down a good foundation for the 2017 and 2020 elections. I believe these missions could not be accomplished by myself alone. I have undertaken that I would like to see universal suffrage in my lifetime. I will wait until 2020 to see universal suffrage, and I have full confidence that Honourable Members can also be able to see that.

However, Mr HO has asked me to do an impossible task, because under the constitution, I have to "step down" in 2012. Nevertheless, I will try to keep

on exerting my best in this respect. But Members must understand this — I think I have tried my best to fulfil my responsibilities in respect of universal suffrage, and I have already given a proper account of that.

**MRS SOPHIE LEUNG** (in Cantonese): *President, Chief Executive, in the past few months, I have mentioned the issue to a number of government officials, but I will raise the matter from another angle. Perhaps the recently implemented labour contract law on the Mainland has nothing to do with us, but as many Hong Kong manufacturers have investments in the Mainland, I therefore would like to reflect their views. Although they consider that the labour contract law is a merger of the long-standing labour law and contract law, in the course of updating, it seems that employees and management are unnecessarily put on opposite sides for no reason, and this is not necessarily beneficial to productivity, workforce and social harmony in the future. They wish to know that from the standpoint of Hong Kong manufacturers, will they be provided with assistance or advice from Hong Kong, or whether mainland legislators will be provided with more ideas in respect of the fact that Hong Kong has quite a number of labour laws in place, and to inform them from what point of view that these laws are made, in order that they could draw on the experience? These Hong Kong manufacturers are at their wit's end, and they hope to learn what way forward the Government thinks they should take. Chief Executive, what is your recommendation to them?*

**CHIEF EXECUTIVE** (in Cantonese): With regard to the Mainland, in particular the impact on our existing factories in the Pearl River Delta (PRD), we have mentioned this issue on many occasions. In this regard, we have done a lot of work. On the one hand, we have discussed with the industry the best arrangements that could be made and how best they can be achieved, and on the other, we have reflected our views to the relevant mainland Ministries and Commissions as well as the leadership of Guangdong Province. We have made some progress in this regard, particularly in the processing trade. As you know, we have made some efforts in this respect, and the current arrangement is less stringent and the negative impact has been reduced.

With regard to your question on flaunting our own labour laws to the relevant mainland officials and to let them know our practice, and ask them to consider whether or not to follow our practice, we have to think about it

carefully. As Hong Kong is a small place where we have a workforce of more than 3 000 000 people, but the Mainland's labour market and ours are rather different in terms of nature, historical background and development. I believe we must be very careful when we deal with this matter.

However, with regard to the views and difficulties of Hong Kong manufacturers who are currently operating factories in the PRD in the context of the labour law, as the SAR Government, we will be happy to work through the appropriate channels and methods, and to continue to reflect their views to the Central Authorities.

**MRS SOPHIE LEUNG** (in Cantonese): *Chief Executive, I did not mean to say that we should reflect our laws or whatever to the Mainland. Quite the contrary, detailed rules and regulations should have been promulgated on 1 May, but they have yet been introduced. Taking the implementation of labour laws in Hong Kong, the way in which the Ministry of Labour on the Mainland or our Labour Department conducts mediation and how the spirit of acting in accordance with rules be adhered to as an example, can we share the relevant experiences with them?*

**CHIEF EXECUTIVE** (in Cantonese): Let us think about what to do. If there is any way to help our manufacturers, we will certainly try our best to do, but it must be effective and must not be counter-productive.

**MR CHEUNG HOK-MING** (in Cantonese): *Chief Executive, you have repeatedly stressed in your policy address and your opening address that jobs would be created and economic development in Hong Kong would be promoted through the implementation of infrastructure projects. In the past few months, the Government has in fact done a lot of things, including the launch of the long-disputed South Island Line, West Island Line, Shatin to Central Link, the Hong Kong-Zhuhai-Macau Bridge.*

On the 10th anniversary of the District Administration Summit held on 10 May which was also attended by the Chief Executive, members asked whether or not the Government would consider constructing a railway line

between Tuen Mun and Tsuen Wan in order to link up the two districts. They repeatedly stressed that Tuen Mun should not always deserve all the misfortunes; it deserves better. Will the Government consider the construction of the Tuen Mun to Tsuen Wan Line?

**CHIEF EXECUTIVE** (in Cantonese): We must conduct a study because it will involve considerable investments. As to continuous improvements to our infrastructure, we have made such a commitment and we also have such an intention. However, with regard to each of the infrastructure projects, especially large-scale ones, we must carefully examine the feasibility, the rate of return and the pros and cons. Since Members have raised their views, I will certainly give serious consideration to them.

In addition, what are the good things to Tuen Mun? Please propose to us by all means, I can assure you that we will try to give Tuen Mun as many good things as we can. *(Laughter)* I know that Tuen Mun has shouldered a lot of responsibilities with regard to Hong Kong's overall infrastructure projects. To the residents of Tuen Mun, these facilities have caused negative impacts on Tuen Mun. I understand this. Hence, in this regard, we owe residents of Tuen Mun a favour. Being the SAR Government, if a reasonable request is raised, we would be happy to comply as much as possible. In fact, we have also done a lot. As regards infrastructure, we have extended a new access road to link up Tuen Mun and the airport. All of these efforts have been made in the interest of increasing the attractiveness of Tuen Mun. So, with regard to the commitment of resources to Tuen Mun, we will not be too penny pinching.

**MR CHEUNG HOK-MING** (in Cantonese): *Chief Executive, may I convey the answer you have given just now to the residents of Tuen Mun and Tsuen Wan, and to tell them that the Government will positively consider the proposed line?*

**CHIEF EXECUTIVE** (in Cantonese): I will certainly take that into consideration. With regard to the views you put forward just now, I have also heard of them before, but the most important thing is to examine the rate of return first. What I want to say is that all the views raised in the District Administration Summit will be considered carefully, fine?

**MR RONNY TONG** (in Cantonese): *President, if the Chief Executive returns home this evening and watches the video recording, in particular the part that he answered the question raised by Mr Albert HO, will he find it a little bit contradictory? On the one hand, the Chief Executive insisted that he would be able to see universal suffrage during his lifetime, but on the other, he said that we should convince Members from the functional constituencies. May I ask the Chief Executive, if seats for the functional constituencies were increased in 2012, how the Chief Executive can convince Members from the functional constituencies that according to your ideas, functional constituencies should be abolished during your lifetime? Chief Executive, you are not young and I am not young, what method do you have, in your opinion, to convince them?*

**CHIEF EXECUTIVE** (in Cantonese): I am sorry, your starting point is different from mine. According to your starting point, any form of functional constituency does not belong to universal suffrage. However, I think that granting certain arrangements, functional constituencies can achieve the principle of equality, as well as the principle of universality. If our starting points are different, our theories and conclusions may also be different. With regard to the discussions on universal suffrage in 2020, I only wish that besides me, Mr TONG can also adopt the same open attitude towards these issues. I believe it must first be generally acceptable to the people of Hong Kong. I said that I would have to convince other Members from the functional constituencies that the seats for functional constituencies can be abolished. If you think this is one of the forms of universal suffrage, if this suits the people of Hong Kong, this is a necessary process, and there is no contradiction. This is the requirement under the Basic Law, not something new. Any constitutional change, any necessary amendment to the electoral arrangements must be supported by two thirds of the Legislative Council Members. I am only stating the fact, just the fact.

**MR RONNY TONG** (in Cantonese): *President, the more the Chief Executive explains the more I am confused. If the Chief Executive thinks that a legislature comprised of functional constituencies fits the principle of universal suffrage, then it is unnecessary to convince them. What should they be convinced of? According to your definition, we already have universal suffrage in place now; we have seen it during our lifetime, it is there. Of course, from our starting*

*point, universal suffrage should not comprise of functional constituencies. Just now you said that you have to convince members from the functional constituencies, that means you also agree with me. But now, you just turn round and say no, you still have to convince them, a legislature comprised of functional constituencies is also a form of universal suffrage. What exactly do you mean?*

**CHIEF EXECUTIVE** (in Cantonese): See, it is very difficult to talk to lawyers, because they like to quote out of context. I was talking about two things, the first is about the current electoral arrangement for functional constituency seats, the other is the electoral arrangement for the functional constituency seats to achieve universal suffrage. The current electoral method for functional constituency seats is, of course, not universal suffrage; it cannot meet the principle of universal suffrage. What I mean is that if it can meet these requirements after some modifications, then why should you be so obstinate?

**MR RONNY TONG** (in Cantonese): *President, he did not answer my question. When will he raise the matter for discussion?*

**PRESIDENT** (in Cantonese): Please sit down. Members can only raise a follow-up question after asking a question. This is the requirement under the Rules of Procedure. You may propose to amend the Rules of Procedure.

I would like to thank the Chief Executive for answering questions raised by 20 Members, but a total of 31 Members have indicated their wish to raise questions. The Chief Executive said at the beginning of his speech that everyone was preparing for the imminent election. I would like to say that I very much hope that this is not the Chief Executive's last Question and Answer Session chaired by me. I hope that before I left office, there are still chances for me to see the Chief Executive to come and attend Question and Answer Sessions in the Legislative Council.

(Members tapped on the bench to mark the occasion)

**PRESIDENT** (in Cantonese): The Chief Executive will now leave the Chamber. Will Members please rise.

**CHIEF EXECUTIVE** (in Cantonese): Thank you, President, thank you, Members. If Members welcome me to come to the Legislative Council again, I will certainly accept your invitation. Thank you.

(Members tapped on the bench again to mark the occasion)

### **NEXT MEETING**

**PRESIDENT** (in Cantonese): I now adjourn the Council until 11.00 am on Wednesday, 21 May 2008.

*Adjourned accordingly at twenty-nine minutes to Five o'clock.*



## Appendix I

## WRITTEN ANSWER

**Written answer by the Private Secretary to Chief Executive to Dr YEUNG Sum's follow-up question raised at the Chief Executive's Question and Answer Session**

As regards a developer's application to the Government for a land exchange for the purpose of building a 93-storey hotel in Wan Chai, since 1985, the development site in question has been zoned "Other Specified Uses" annotated "Comprehensive Redevelopment Area" (OU(CRA)) on the Wan Chai Outline Zoning Plan (OZP).

In January 1994, the Town Planning Board (TPB) gave planning permission for the development of a 93-storey hotel and public open space (POS) in the abovementioned OU(CRA). The Building Authority (BA) subsequently approved the building plans of the development.

In June 2004, the TPB approved the developer's planning application to effect minor amendments to the 1994 approved scheme. The developer subsequently obtained the BA's approval of the building plans based on the minor amendments to the 1994 scheme.

The development site in question comprises partly private lots and partly Government land. Having acquired the ownership of all the private lots involved, the developer applied in May 2004 to the Lands Department (LandsD) for an *in situ* land exchange. The proposed land exchange involves the surrender by the developer of the private lots within the site and re-grant by the Government of the entire site (that is, the site which the planning permission covers, including Government land and private lots within the site). The developer will be required to pay full market premium for the enhancement in land value assessed by the LandsD on the "before and after" basis.

Since the planning application and building plan of the proposed development have been approved by the TPB and the BA respectively in accordance with established statutory procedures, the Administration must respect and honour these approvals. As regards the *in situ* land exchange, subsequent to the abovementioned approvals, the developer submitted an

**WRITTEN ANSWER** — *Continued*

application for *in situ* land exchange under existing land policy for implementing the approved development. The Administration is required to process the application in accordance with established practice, and could not arbitrarily withhold or delay the land exchange application.

We appreciate the concerns of the public, in particular the nearby residents, about the local traffic and environmental impacts associated with the proposed development. The Development Bureau will ensure that the developer will observe all approval conditions, such as requiring the developer to submit and implement landscape proposals, including provision of POS, and to carry out road works to improve connection between Queen's Road East and Kennedy Road.

The Development Bureau will continue to liaise with the Wan Chai District Council and residents' groups with a view to minimizing local traffic and environmental impacts associated with the proposed development.