

OFFICIAL RECORD OF PROCEEDINGS

Wednesday, 4 June 2008

The Council met at Eleven 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.

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

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

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

THE HONOURABLE MARGARET NG

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

THE HONOURABLE JAMES TO KUN-SUN

THE HONOURABLE CHEUNG MAN-KWONG

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

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

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

DR THE HONOURABLE YEUNG SUM, 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 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 VINCENT FANG KANG, J.P.

THE HONOURABLE WONG KWOK-HING, M.H.

THE HONOURABLE LEE WING-TAT

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

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

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

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

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

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

THE HONOURABLE LEUNG KWOK-HUNG

DR THE HONOURABLE KWOK KA-KI

DR THE HONOURABLE FERNANDO CHEUNG CHIU-HUNG

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

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

THE HONOURABLE 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.

MEMBER ABSENT:

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

PUBLIC OFFICERS ATTENDING:

THE HONOURABLE MRS CARRIE LAM CHENG YUET-NGOR, J.P.
THE FINANCIAL SECRETARY, AND
SECRETARY FOR DEVELOPMENT

THE HONOURABLE MICHAEL SUEN MING-YEUNG, G.B.S., J.P.
SECRETARY FOR EDUCATION

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

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

CLERKS IN ATTENDANCE:

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

MRS JUSTINA LAM CHENG BO-LING, ASSISTANT SECRETARY
GENERAL

MS PAULINE NG MAN-WAH, ASSISTANT SECRETARY GENERAL

TABLING OF PAPERS

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

Subsidiary Legislation/Instruments	<i>L.N. No.</i>
Shipping and Port Control (Amendment) Regulation 2008	148/2008
Road Traffic (Public Service Vehicles) (Amendment of Schedule 5) (No. 2) Regulation 2008	149/2008
Merchant Shipping (Local Vessels) (General) (Amendment) Regulation 2008.....	150/2008
Merchant Shipping (Limitation of Shipowners Liability) (Rate of Interest) (Amendment) (No. 2) Order 2008	151/2008

ORAL ANSWERS TO QUESTIONS

PRESIDENT (in Cantonese): Questions. First question.

Infection of Pine Trees

1. **MR ALBERT CHAN** (in Cantonese): *President, I have learnt that in recent years, quite a number of pine trees in various parts of Hong Kong, especially Chinese Red Pines, have been infected, and some of them even died as a result. In this connection, will the Government inform this Council:*

- (a) *of the respective numbers of pine trees of various species which had been infected and died from infection in each of the past five years; and*
- (b) *whether the authorities know the causes of infection for the above pine trees, and whether currently there are measures and new methods to prevent pine trees from being infected and dying as a result, so as to reduce the death of pine trees; if there are such measures and methods, of the details; if not, the reasons for that?*

SECRETARY FOR THE ENVIRONMENT (in Cantonese): Madam President, I have to thank Mr Albert CHAN for his question.

- (a) In early 1980s, there was mass mortality of the local Chinese Red Pines due to infection by the pine wilt nematode. To control the spread of the disease, infected trees were cut down and burnt. Furthermore, planting of the vulnerable Chinese Red Pine was discontinued. After implementation of these measures, serious outbreaks of the pine wilt disease were no longer found.

Besides the infection of Chinese Red Pine by pine wilt disease in early 1980s, there were no other record of serious outbreaks of pine trees by disease.

There has not been any territory-wide survey on pine trees in Hong Kong. Therefore, we do not have the annual data on the numbers of pine trees of various species which had been infected and died from infection as requested by Mr Albert CHAN. However, based on field observations, there were only sporadic deaths of pine trees in recent years. There were no incidents similar to the mortality of pine trees caused by infection in early 1980s.

- (b) In reply to part (b) of Mr Albert CHAN's question, pine wilt nematode is the causal agent of pine wilt disease that could lead to serious losses of trees and woodlands. In this regard, the Agriculture, Fisheries and Conservation Department (AFCD) conducted a survey in 1999 to investigate the pest status of the pine wilt nematode in Hong Kong. Out of the some 1 300 pine tree samples collected, only one sample was found to be infested with the pine wilt nematode. The study concluded that the pest is no longer a threat to the pine tree population in Hong Kong and large-scale control programme on this pest is not carried out again.

In addition, the AFCD commissioned the Guangdong Forestry Bureau to conduct the study "Survey of forest pests and diseases in Hong Kong" from 2005 to 2007. The findings of the study indicated that the woodland ecosystems in country parks have good natural ability to control pests and diseases. The woodlands of country parks are not affected by serious pests or diseases as a whole.

Healthy trees are resistant to pests and diseases. Spreading of pests and diseases is much more difficult in diverse woodlands. Hence, maintaining healthy and diverse woodlands is the most effective measure to prevent outbreak of pests and diseases. In this regard, Members may notice in recent years that the AFCD has practised mixed planting, that is planting more than one species of trees, in establishing new woodlands. Mixtures of seedlings of different tree species have been planted together to allow our plantation be developed into diverse woodlands in future. For existing plantations, particularly those comprising mainly pine trees, the AFCD has planted seedlings of different tree species, so as to enrich the species composition of the woodland, which will indirectly enhance the biodiversity there.

MR ALBERT CHAN (in Cantonese): *President, the Secretary's reply comes as quite a shock. For in the past few years, more often than not, when I went to country parks, drove along the road or strolled along parks of the Leisure and Cultural Services Department (LCSD), I would notice pine trees shrivelled and died as a result. Some of these pine trees which shrivelled and died were as old as 30 to 40 years. The figure in this connection is on the rise. In certain districts, all the pine trees growing on the mountain have shrivelled. However, the Secretary dared to say that he did not notice such situation. Will the Secretary instruct his colleagues to conduct a territory-wide comprehensive survey on the decrease in pine trees, so that the Government can get hold of the basic information on the issue and then find a solution?*

SECRETARY FOR THE ENVIRONMENT (in Cantonese): Madam President, I have to thank Mr Albert CHAN for his supplementary question.

I have examined this issue with colleagues of the professional divisions. In recent years, owing to the nature of my job, I have visited country parks more often and noticed the situation concerned. First, Mr Albert CHAN said that the number of pine trees decreased substantially in the plantations in Hong Kong. I think the situation should indeed be attributed to the case in the early 1980s. As I said earlier, back then, there was indeed a relatively large-scale outbreak and the disease was widespread. As a result, some trees were felled by the AFCD and the proportion of pine trees in the plantations in Hong Kong was reduced.

Moreover, according to the new plantation policy currently adopted, we will not rely on a single species of tree. We will by all means plant different species of trees extensively in existing plantations. This will thus create the impression that the proportion of pine trees in plantations has decreased. Moreover, it is natural that trees will flourish and shrivel in their life cycles, there will be natural deaths. However, if Mr CHAN thinks that we should pay more attention to any specific region, we are more than willing to contact colleagues of the professional divisions to conduct field observation in the region concerned and to find out the cause or identify other improvement measures.

MR ALBERT CHAN (in Cantonese): *The Secretary has misunderstood my supplementary question. I stated clearly that I saw in front of my eyes the death of a large number of pine trees in many districts. I hope the Secretary will instruct his colleagues to conduct a more comprehensive survey to collect the relevant data which may facilitate the authorities to understand the actual situation and find a solution to the problem.*

SECRETARY FOR THE ENVIRONMENT (in Cantonese): Madam President, perhaps, in respect of individual locations, we may follow up the situation from a practical perspective. With regard to a territory-wide survey, we will not necessarily conduct a survey on a single species of tree, for the current number of pine trees is significantly smaller in comparison with the case in the early 1980s, so the survey will probably cover different species of trees. However, I think we may contact Mr Albert CHAN and follow up the case practically.

Actually, at the previous special meeting of the Finance Committee, in response to the question put forward by Mr Albert CHAN, I expressed my willingness to invite Members of the Legislative Council to observe our plantation work. But, so far, only Mr Albert CHAN seems to be interested. If other Members do not have the time, we may make alternative arrangement later on to let Members understand the actual situation. I am more than willing to follow up the situation brought up by Mr Albert CHAN.

MR DANIEL LAM (in Cantonese): *Though the Secretary said in his reply that territory-wide surveys focused solely on pine trees had not been conducted, will*

the Secretary inform this Council whether spot checks on Chinese Red Pines in Hong Kong are carried out regularly? I ask this supplementary question because there were outbreaks of pine wilt nematode in the past and regular spot checks may prevent the spread of this disease.

SECRETARY FOR THE ENVIRONMENT (in Cantonese): As I have mentioned in the main reply earlier, despite the serious outbreak of disease in the 1980s, only one of the 1 300 pine tree samples collected was found to be infested with the pine wilt nematode in a survey conducted in 1999. Certainly, I think colleagues of the AFCD will monitor the growth of trees in plantations in general every day on a regular basis. In case of a large-scale disaster, we will deal with it.

MISS CHOY SO-YUK (in Cantonese): *President, at present, trees in Hong Kong are managed by the relevant authorities according to their growing locations. For instance, trees growing in districts within the purview of the Lands Department (Lands D) will be managed by the Lands D, and trees growing in the precinct of the Hospital Authority (HA) will be managed by the HA. However, some departments may not necessarily have experts knowing how to take care of trees. May I ask the Secretary in what way he can ensure that different departments will have sound knowledge in protecting trees, preventing trees from shrivelling as a result of infection by fungus or other diseases?*

SECRETARY FOR THE ENVIRONMENT (in Cantonese): Madam President, Miss CHOY So-yuk said that trees grew in different districts might be managed by different departments. However, when it comes to issues related to botany or the treatment of certain types of diseases, colleagues of the AFCD, the professional department in this realm, are willing to provide professional advices, and they always do, and work with other departments.

MISS CHOY SO-YUK (in Cantonese): *President, I asked him how this could be assured but not whether assistance was provided in the handling of the situation.*

SECRETARY FOR THE ENVIRONMENT (in Cantonese): Madam President, trees, like other living things, will inevitably fall sick sometimes. I

think the planting environment is surely of great importance. Therefore, as I said in the main reply earlier, the work of the AFCD in recent years can be cited as an example. It has adopted a relatively new method, that is, the focus should not be placed on individual plants but on the maintenance of a healthier ecology in the entire plantation. This is the best solution. However, in case of the outbreak of a large-scale infection, say pest, among plants in Hong Kong, it will be addressed with specific method. We have handled similar problems in the past.

MISS CHOY SO-YUK (in Cantonese): *President, may I ask the Secretary whether he will request the frontline management staff of various government departments to check whether or not the trees growing within their management boundary are infested? If he will, will a telephone hotline be set up, so that officers-in-charge may call the AFCD or the LCSD to send departmental staff to examine and handle the cases?*

SECRETARY FOR THE ENVIRONMENT (in Cantonese): Madam President, I think, according to my understanding, when officers of different departments discover any of the problems mentioned by Miss CHOY So-yuk earlier in discharging their duties, they will handle it. Moreover, opinions have been expressed by the public in this respect in the past. As far as I understand it, this situation is common in both urban and rural areas. If Members may offer their views on this, we are willing to follow up the issue.

MISS CHOY SO-YUK (in Cantonese): *President, my question is: Will he request frontline management staff to check the health status of trees?*

SECRETARY FOR THE ENVIRONMENT (in Cantonese): Madam President, I believe if this falls inside the daily duties of the colleagues of the departments concerned, they will honour their obligation and they must address the case. But I think there will not be a team specialized in observing trees. However, as I said in my replies to other supplementary questions earlier, if this is part of their duties, I think the colleagues concerned will handle it. If professional knowledge and judgment are required, I think colleagues of the AFCD will offer assistance.

MISS CHOY SO-YUK (in Cantonese): *President, your expression tells me that you know the Secretary has mistaken my supplementary question.*

Secretary, my question is: Will you delegate clear responsibilities to frontline management staff of all departments, such as those in the HA, so that they are required to observe the health of trees and check whether or not trees are infested when they do the cleaning and watering? If there are such cases, which department can they call and request for the deployment of officers to handle the case? Will the Secretary issue clear guidelines to frontline management staff of other departments?

SECRETARY FOR THE ENVIRONMENT (in Cantonese): *Madam President, I believe various departments should have the understanding in this respect at present. If not, I will examine the issue again after I return to my office.*

PRESIDENT (in Cantonese): *Second question.*

Development Restrictions Imposed on Land Granted by way of Land Exchange

2. **DR YEUNG SUM** (in Cantonese): *Madam President, to address public concern about issues such as wall effect brought about by development projects and protection of ridgelines and landscapes, the Government is implementing measures to lower the development intensity of some areas in Hong Kong, including stipulating development restrictions, such as plot ratio restrictions and building height restrictions, in the relevant Outline Zoning Plans (OZPs) and land sale or lease conditions. However, such restrictions do not apply to planning applications which have already been approved. Hence, even in crowded old districts such as the Wan Chai District, private developers still have opportunities to launch large-scale development projects and build skyscrapers, without being subject to such development restrictions, which will also affect the traffic in the district. In this connection, will the Government inform this Council:*

- (a) *of the existing policy on assessing and approving private developers' applications to the Government for exchanging for or procuring*

government land, by way of land exchange, for undertaking development projects;

- (b) how such a policy ties in with the above measure for lowering development intensity; and*
- (c) of the procedure for assessing and approving applications for extension of the validity of planning permission and how such procedure ties in with the above measure for lowering development intensity (for instance, how the validity of the planning permission granted in 1994 for constructing a 93-storey building at Queen's Road East and Kennedy Road in Wan Chai has been extended to the present)?*

SECRETARY FOR DEVELOPMENT (in Cantonese): Madam President, in replying to Dr YEUNG Sum's question, I would like to explain our policies at the outset. To maintain the long-term stable development of Hong Kong, the Government of the Hong Kong Special Administrative Region is committed to providing a suitable economic and legal environment. On the land and planning fronts, there should be clear policies and practicable measures to support this. In regard to planning, suitable development restrictions are clearly spelt out in the OZPs through statutory procedures to ensure that land uses are in line with the planning intention. The OZPs are reviewed and updated from time to time to keep pace with changes in circumstances. In regard to land administration, apart from government or public facilities, we will generally allow the market to undertake suitable development on the site concerned through means like land sale, land grant, lease modification and land exchange, in accordance with the planning intention. We process each development project impartially, and with due regard to the policy intention and contractual spirit of the case.

My reply to the three-part question of Dr YEUNG Sum is as follows:

- (a) Our existing land policy is to optimize the use of land within the framework of land use zonings. Specific arrangements concerning private developers' applications to the Government for land exchange are also in place. In general, the Government will process developers' applications for "*in-situ* land exchanges", in order to allow the implementation of the approved plans/schemes

within the statutory planning framework, for instance, Comprehensive Development Area (CDA), whilst upholding the principle of optimization of the use of land. Some criteria have to be fulfilled for such applications, including where the Government land involved in "in-situ land exchanges" is incapable of reasonable separate alienation or development; where it has no foreseeable public use for the Government land concerned; and that the developers are required to pay full market value premium and this results in a financial return to the Government no less favourable than by separate alienation.

- (b) To lower development intensity appropriately, the Town Planning Board (TPB), with the assistance of the Planning Department (PlanD), is reviewing the relevant OZPs. In accordance with the procedures specified under the Town Planning Ordinance (TPO), the TPB will conduct public consultation and process objections and representations, and submit the amended OZPs to the Chief Executive in Council for endorsement and approval.

In general, in processing the land exchange applications, the Lands Department (LandsD) will listen to comments of the PlanD and other relevant departments concerned to ensure that the development projects are in line with the planning intention and requirements, that is, the land use zonings and the development restrictions on the OZPs, as well as the planning permissions granted by the TPB. This may be the co-ordination effort asked by Dr YEUNG Sum. If a land exchange application involves rezoning or requires planning permission, the Government will consider the application only after the site concerned has been rezoned or the relevant planning permission has been obtained.

However, in reviewing or revising the OZPs, the TPB cannot revoke approved development projects. This should also not be used as the justifications for shelving any land exchange applications processed in accordance with the existing policy and on the basis of approved development projects, especially if the land exchange development projects concerned are consistent with the planning intention of the sites on the OZPs or the planning permissions granted by the TPB.

- (c) Since the early 1990s, planning permissions granted by the TPB under section 16 of the TPO are subject to, *inter alia*, a planning condition on the validity period of the planning permission (for current planning applications, these are in general subject to a time limit of four years). The planning permission will cease to have effect by the specified date, unless prior to that date, the permitted development has commenced or an extension of time for the commencement of development has been obtained.

According to the TPB Guidelines, a development project with its building plans approved would be deemed to have commenced. On this premise, even if the relevant OZP is revised subsequently, given that the building plans have been approved before the revision of the OZP and the development has commenced, the project can proceed without being subject to the new planning restrictions, unless major amendments to the relevant building plans are proposed by the landowner concerned. We must appreciate the fact that the planning restrictions of OZPs are only applicable to future new development or redevelopment projects, and that they carry no retrospective effect on the existing developments and those which have commenced but have not yet been completed.

In addition, where an approved development has not commenced within the specified time limit (that is, the relevant building plans have not been approved within the time limit), the applicant may apply for an extension of time for the commencement of the development. The TPB will consider the relevant application on the basis of a set of assessment criteria, including whether there has been any material change in planning circumstances after the original permission has been granted (such as a change in the planning policy/land use zonings or planning intention of the area concerned).

As regards the hotel development project in Wan Chai mentioned by Dr YEUNG Sum, since the project was formally approved by the TPB in 1994 and the development is deemed to have commenced as mentioned above, the LandsD is processing the landowner's application for land exchange in accordance with the existing land administration policy.

DR YEUNG SUM (in Cantonese): *Madam President, according to the Secretary's reply to part (a) of the question, the Government has in fact owned a site of an area around 4 000 sq m in Wan Chai. But it is a slope without special use and not suitable for any independent development. In case of land exchange, however, the developer will be required to pay full market value premium and the Government will not suffer any loss. However, Madam President, I would like to point out the following in particular and I wish the Secretary can give me a specific reply: Although the 4 000-square-metre site owned by the Government is a slope not suitable for independent development, residents in Wan Chai have been in want of open space and the Government does not have any legal liability or obligation to exchange land with Hopewell. As Hopewell owns a site of 5 000 sq m only, it cannot build the skyscraper, a 93-storey hotel, if the 4 000 sq m of land owned by the Government maintains to be a greenbelt and will not be exchanged with the developer. The hotel, if built, will simply become a disaster to Wan Chai. So, Madam President, I hope the Secretary can answer this question: Is it that there is no need, no responsibility and no obligation on the part of the Government to exchange land with Hopewell?*

PRESIDENT (in Cantonese): Dr YEUNG Sum, the information you cited in the preamble of your supplementary question is not part of the response by the Secretary today. I am sure that you have got the information from other channels. Please answer the question, Secretary.

SECRETARY FOR DEVELOPMENT (in Cantonese): Regarding the crux of Dr YEUNG Sum's supplementary question, response has been given in my main reply. Certainly, today may not be the right time to comment on any individual case. The crux of my main reply is that when it has come to a stage where the Government has changed its policies or amended the development restrictions in the OZPs in response to changes in the circumstances or people's aspirations, the refined government policies and the new development restrictions spelt out in the OZPs will carry no retrospective effect on approved projects or developments which have already been commenced. If the Government can act on arbitrary or selective basis, it will be contrary to the policy statement or clarification I made in my main reply. It will also be contrary to our principle of providing a stable economic and legal environment which is conducive to development.

DR YEUNG SUM (in Cantonese): *Madam President, the crux of my supplementary question does not require that the development project of Hopewell should be stopped because approval was granted in 1994. Regarding the 4 000 sq m of land, I just query whether the Government has any responsibility to exchange it with Hopewell. The crux of my question is whether there is a need on the part of the Government to exchange land with Hopewell. In my opinion, the answer is in the negative and there is no obligation on the part of the Government to exchange land with the developer and the land can be designated as a greenbelt. Madam President, can the Secretary give me a specific reply on land exchange?*

SECRETARY FOR DEVELOPMENT (in Cantonese): To provide a stable economic and legal environment conducive to development, there should be a set of practicable and clear policies. We have formulated a clear policy on land exchange and a paper on land exchange has also been submitted to the relevant panel of the Legislative Council years ago. So, under the current circumstances, things are done in full compliance with our clear policy on land exchange regarding the relevant case, which is the concern of Dr YEUNG Sum.

MR LEE WING-TAT (in Cantonese): *President, currently in some districts such as those in the vicinity of Hopewell Centre, Wan Chai, developers can apply for development in the form of CDA if it has a small piece of land there. Then, it will integrate the government land nearby with its expanded scope of development. President, my supplementary question is: Concerning the Megatower, it is very simple. The developer has adopted the tactic of "swallowing the big one by a small one", meaning that the developer, despite its small size of land, has taken over many new government lands. This is tantamount to the enclosure movement in modern days. Does the Secretary think that such a situation is very serious and a review of the policy is necessary? Otherwise, the tactic of "swallowing the big one by a small one" will be frequently adopted as in the case of a developer which has taken over 5 000 sq m of land for the development of a 93-storey hotel even though it has only 1 000 sq m of land.*

SECRETARY FOR DEVELOPMENT (in Cantonese): First of all, I would like to make some clarification although I said just now that today was not the right time to discuss individual cases. The actual ratio of land exchange in this

case, which is the concern of Mr LEE and Dr YEUNG, is around 6:4. In other words, 60% of the land belongs to the developer, while 40% of the land ties in with the stipulations of our existing land exchange policy such that it is incapable of separate alienation and has no specific public use, thus enabling comprehensive development approved by the TPB at that time to be implemented through land exchange. Perhaps let me add that one of the justifications for approving this comprehensive development is precisely the concern of Dr YEUNG Sum, that is, a lack of open space for public use in Wan Chai, especially the old area. And the planning approved in 1994 can meet such a demand.

MR LEE WING-TAT (in Cantonese): *President, in terms of policy, the Secretary will not disagree that the developer is able to secure a very large piece of land simply by holding a very small one. My supplementary question is: Will the Secretary review such an enclosure movement? According to the Secretary, the ratio is 6:4. But in some cases, the ratio is 2:8, meaning that the developer can secure 80% of the land required for development even though its holding accounts for only 20%. Such an example does exist. May I ask the Secretary whether a review of the policy will be conducted?*

SECRETARY FOR DEVELOPMENT (in Cantonese): First of all, let me read out details of the prevailing policy. Just now I mentioned that we had submitted to the Legislative Council a paper concerning under what circumstances land could be exchanged and how much land could be exchanged. It reads: Generally speaking, the size of a site returned to the Government will be more or less the same as that re-granted by the Government. But for the sake of proper management of land, a certain degree of flexibility is allowed under the policy. As an indicator, the size of the land re-granted could be larger than that returned to the Government by not more than 25% on condition that the extra piece of land is not suitable for separate development. The land premium charged by the Government will also reflect the extra value of the land re-granted compared with the land returned. The land use and shape of the site granted should comply with the land use zoning and design in the town planning layout.

If Mr LEE considers that there is room for review in respect of the land exchange policy, I am willing to look into it. In fact, I also agree that the land exchange policy, which is the concern of all Members, should be discussed in the Panel on Development before the end of this Legislative Council Session.

MR ALBERT HO (in Cantonese): *In elaborating the government policy just now, the Secretary seemed to have mentioned that if the TPB had approved an OZP, in particular the OZP of a CDA, the Government would, in accordance with part (a) of the Secretary's main reply, consider entering into a land exchange or land grant agreement with the developer if there was a need for the developer to develop its project in future. This is the interpretation of the Secretary just now. My query is: Even if the TPB has approved that a certain site can be a CDA or a certain project can be developed in accordance with its planning principles or criteria, this does not mean that the Government has any legal obligation to hand over a CDA site to the developer. Even if the three conditions mentioned in part (a) of the main reply are met, the Government still has to consider its discretionary power. For instance, it should consider that as the OZP was approved more than a decade ago, today, the environment may have changed, residents' aspirations may have changed and the traffic condition may have changed too. May I ask the Secretary whether she has discretionary power and no obligation — I stress no obligation — to fulfil the approval of the TPB by handing over the land to the developer to facilitate the completion of its project?*

SECRETARY FOR DEVELOPMENT (in Cantonese): First of all, I am sure that Mr Albert HO has some misunderstandings regarding the mutual responsibilities between the TPB and parties concerning lands and building management during the development stage. The TPB is concerned about the town planning of Hong Kong, hoping that a quality city environment can be provided. Mr HO said that the TPB did not care about land title. However, the TPB has to deal with the issue of land title when an approved project is to be implemented. This is absolutely correct. What we can further derive from this example is that nowadays, even a person without the land title of a site can apply to the TPB for the change of its land use in accordance with section 12A or section 16 of the TPO. This has been proven to be very clear and explicit.

Mr HO then asked whether or not the Government still had discretionary power to reject a developer's application when exercising and implementing land exchange policy I mentioned just now, even if the developer had obtained an approved town plan and, on the basis of which, approved building plans from the Buildings Department. The answer is: Consideration must be given to the requirement of policy consistency and the very facts of the case presented to us.

Let me give further elaboration of the case concerned by all Members. One of the very important conditions attached to the project approved by the TPB at the time is the impact on the traffic in Wan Chai. To put it simply, the first issue we have to deal with is whether the project can satisfy the condition, that is, whether it will bring any adverse impact on the traffic according to the relevant traffic assessment. Concerning this matter, as we all know, the impact can only be mitigated through road improvement works. However, under the laws of Hong Kong, we have to go through some statutory procedures before any road improvement works can be embarked on. These statutory procedures include the gazettal of the works to allow objection be raised within two months' time before approval is sought from the Chief Executive in Council. So, I would like to give a brief response to Mr HO's question: The Government still has to go through some statutory procedures before the application for land exchange can be dealt with. The so-called discretionary power means the factors taken into account during the statutory procedures.

MR ALBERT HO (in Cantonese): *President, can the Secretary give me a straightforward reply that she has discretionary power but the exercise of such discretionary power will depend on other conditions, which may include the fulfillment of some prerequisites, such as those concerning the traffic assessment, due to a change in environment, apart from the three major conditions? The Secretary should be able to exercise certain discretionary power.*

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

SECRETARY FOR DEVELOPMENT (in Cantonese): Yes, I have. If Mr HO hopes that the Government has arbitrary discretionary power which can be exercised according to personal preference or individual project, I can say that the Government does not have any. However, for cases with a legal basis which have fulfilled the three major conditions of land exchange application but failed to meet other objective prerequisites, they will be dealt with on individual basis.

PRESIDENT (in Cantonese): This Council has spent more than 19 minutes on this question. Last supplementary question.

MS AUDREY EU (in Cantonese): *President, the Secretary just now said that the Government did have discretionary power in respect of land exchange and the exercise of such discretionary power should tie in with some objective criteria. Can the Secretary tell us what these objective criteria are? It is particularly noted that the project was approved by the TPB in 1994, but the current situation is — the current situation has also been described in the preamble of the main question — there is public concern about wall effect and request for protection of ridgelines and landscapes, particularly the old area of Wan Chai, which should be used for low density development. Have all these issues been included in the objective criteria of the Government before it can decide whether discretionary power can be exercised in respect of land exchange?*

SECRETARY FOR DEVELOPMENT (in Cantonese): The objective criteria I mentioned are conditions which should be met according to the situation of individual projects and are not related to land exchange applications. These objective conditions must be fulfilled if the developer wishes to implement its project. Concerning this particular project, the volume of traffic flow and its impact on the district is an objective condition which should be satisfied by the developer before land exchange can be processed since road improvement works will always have a bearing on the boundary of land exchange. Since these are very objective conditions, I am not allowed to give approval or disapproval at will.

Regarding a string of other factors mentioned by Ms EU such as public concerns, opinions of the District Council members and even the change of our perspective on certain matters with the passage of time and so on, I do not think these can be regarded as objective factors.

PRESIDENT (in Cantonese): Third question.

Measures to Combat Wage Default and Assist Employees in Enforcing Labour Tribunal Awards

3. **MR WONG KWOK-HING** (in Cantonese): *President, relevant groups and individuals have expressed concern about employers defaulting on wages in recent years. In the Chief Executive's Question and Answer Session on 15 May*

this year, the Chief Executive undertook to expeditiously address the problem of employers not complying with the awards made by Labour Tribunal in which they were required to pay the outstanding amount of money owed to the employees concerned. In this connection, will the Government inform this Council:

- (a) given that this Council's Panel on Manpower passed a motion in December last year urging the Government to amend section 64B of the Employment Ordinance on the criminal liability of the responsible persons of a body corporate with regard to wage offences, whether the authorities will make the relevant amendments expeditiously; if they will, when they will put forward the amendment proposal;*
- (b) besides the seven options proposed at the meeting of the Panel on Manpower in April this year, whether the authorities have considered taking other practicable and feasible options to combat the problem of employers defaulting Labour Tribunal awards; if they have, of the details; and*
- (c) besides the above options, whether the authorities have other options to ensure that employees, upon obtaining Labour Tribunal's judgment in their favour and irrespective of whether or not their employers have defaulted Labour Tribunal awards, can receive Labour Tribunal awards as soon as possible, if so, of the details, and when such options can be implemented at the earliest?*

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

- (a) The Labour Department has conducted a review of section 64B of the Employment Ordinance and examined the feasibility of various scenarios to amend the provisions, if necessary. The advice of the Department of Justice has also been sought.

The legal advice is that the addition of the two elements as proposed by some labour groups, that is, "act without reasonable excuse", or "failure to act without reasonable excuse", would not in any way lessen the burden of proof on the prosecution for invoking section 64B offences to prosecute the responsible persons of a body

corporate. The elements of offences in the existing provisions namely "consent", "connivance" or "neglect" of responsible persons already cover all scenarios under which wage offences committed by a body corporate should be attributable to the unreasonable acts of its responsible persons. In other words, it would be redundant to add the two additional elements. This is because "consent" and "connivance" should have adequately dealt with the scenarios where the responsible persons' acts were "without reasonable excuse", whereas "neglect" should have already covered the scenarios where such persons "failed to act without reasonable excuse". The removal of the existing elements of offences, that is, "consent", "connivance" or "neglect" is also not feasible, as the amendment would likely be in conflict with the Hong Kong Bill of Rights Ordinance (Cap. 383) and the Basic Law.

Meanwhile, the Labour Department has revised its investigation strategies and deployed more resources to target enforcement action against responsible persons of the body corporate for wage offences. First, we have stepped up publicity not only to encourage more employees to be prosecution witnesses in section 64B cases, but also to alert the responsible persons to the relevant penalty clauses. Second, the Labour Department has employed seven ex-police officers to strengthen its capability in evidence collection and intelligence gathering. In handling section 64B cases, these officers conduct investigation proactively at an early stage.

As a result of such measures, the number of convictions has increased sharply. In 2007, there were 126 convicted summonses on wage offences against the responsible persons of body corporates, an increase of 83% over 69 in 2006. Among them, five company directors were given jail, or suspended jail sentence. Between January and April 2008, the number of convicted summonses on wage offences against responsible persons of body corporates was 69, an increase of 92% over 36 in the corresponding period of 2007.

The encouraging outcome arising from the change in investigation strategies indicates that there is no need for amending section 64B. The Labour Department would continue to monitor wage offences closely and take vigorous enforcement action;

- (b) The Government takes a serious view on the non-compliance of Labour Tribunal awards by some employers, and is actively exploring effective and feasible measures to improve the situation. If breaches of the Employment Ordinance are detected, the Labour Department will take vigorous enforcement action against the employer concerned.

The Labour Department's experience reveals that some employers failed to honour the awards because of insolvency. But if the employer is solvent or still in operation, upon receipt of the employee's complaint on default of Labour Tribunal awards, the Labour Department will conduct follow-up investigation and, with sufficient evidence of breach of Employment Ordinance requirements in payment of wages and other statutory benefits, take out criminal prosecution against the employer.

To enhance the deterrent effect, the maximum penalty for wage offences under the Employment Ordinance has, with effect from 30 March 2006, been substantially increased from a fine of \$200,000 and imprisonment for one year to a fine of \$350,000 and imprisonment for three years. In 2007, the Labour Department secured 963 convicted summonses on wage offences, an increase of 22% over 785 summonses in 2006. Among them, seven accused were given jail or suspended sentence and one case recorded a heavy fine of \$114,000. Where the employer is a limited company, the Labour Department will, apart from prosecuting the company for wage offences, also prosecute the responsible persons if the offences are committed with their consent, connivance or neglect. The relevant prosecution figures have been provided in the reply to part (a) in the main reply which I have explained just now.

We believe that our stringent enforcement effort will strengthen the deterrent effect and send a strong message to employers that violating the Employment Ordinance is a serious offence, thereby reducing the incidence of employers defaulting on wages and Labour Tribunal awards; and

- (c) Employment claims concern the enforcement of contractual terms between employers and employees. If a party fails to honour the contractual obligation, the other party may pursue by means of civil

remedies. The establishment of Labour Tribunal is to provide a fast, inexpensive and simple mechanism for employers and employees to resolve civil claims. After an award on an employment claim is made by Labour Tribunal, the losing party has to pay the awarded sum within the time limit as specified in the award. In the event that the employer fails to pay as ordered, the employee can, as in the case of all other civil remedies, enforce the award through the execution modes applicable to other civil judgments, or pursuing the sum as a civil debt.

The Government is very concerned about the difficulties of some employees in obtaining the sum awarded by Labour Tribunal. We have taken multi-pronged measures to assist employees recover payments promptly. Upon receipt of complaint by employees on defaulted Labour Tribunal awards, the Labour Department will refer the employees concerned to the Legal Aid Department (LAD) for assistance in instituting winding-up or bankruptcy proceedings against the insolvent employer. The Labour Department will also assist the employees to apply for *ex gratia* payment of wages in arrears and other termination payments from the Protection of Wages on Insolvency Fund (PWIF).

To speed up the processing of applications of the employees, the Labour Department has adopted a series of measures with a view to streamlining and improving PWIF application procedures. The average time for processing an application and making *ex gratia* payment has been shortened from 7.4 weeks in 2002 to 3.2 weeks in 2006, and further down to 2.7 weeks at present.

The issue of enforcement of Labour Tribunal awards relates to the overall mechanism of enforcing civil judgments and any change will have far-reaching implications on judicial and other policy areas. To explore how to further combat defaulting employers and to assist employees with defaulted Labour Tribunal awards, we consulted the Labour Advisory Board and the Panel on Manpower of the Legislative Council at their meetings of 16 and 24 April 2008 respectively on the possible improvement measures put forward by stakeholders in the past. The Labour and Welfare Bureau and the Labour Department are closely examining the proposed measures in

consultation with policy bureaux and government departments concerned. Given the complexity of the proposals and the far-reaching implications, the Government has to carefully examine the feasibility of each proposed measure. Nevertheless, I can assure Members that we will try our best to reach a decision on the way forward as soon as possible.

MR WONG KWOK-HING (in Cantonese): *President, I find the reply of the Secretary far from satisfactory because he has been talking about nonsense, just as the "toothless tiger" in my hands.*

The reply given by the Secretary to the three parts of my main question indicated that in the past, the Employment Ordinance was in fact "toothless", as it was unable to protect employees who were owed wages. The Secretary subsequently said that he would try to reach a decision on the way forward as soon as possible, while the Chief Executive had indicated that he would work on the issue immediately without having to wait for the policy address until October. May I ask the Secretary, when will this "way forward" be decided? What way forward do we have? Why has the Secretary not listened to the words of the Chief Executive by resolving the problem of wage default immediately?

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): Madam President, I wish to thank Mr WONG for his question and concerns about the issue. In fact, we attach great importance to this non-compliance of Labour Tribunal awards just the same as Honourable Members do. It is absolutely unacceptable, and the Chief Executive shares fully with us the same view as well. In fact, we are currently examining very carefully the feasibility, legality and acceptability of each option before proposing a practical and feasible option, and the most important thing is the practicability and feasibility.

We have listed out the views of the general public and stakeholders at the meeting of the Panel on Manpower held earlier. We will conduct an in-depth study on each and every option, hopefully a clear and unequivocal direction could be set as soon as possible, in so doing, a way forward could be identified. We will put forward concrete proposals, which will be directional, and specific measures will be put in place to respond to the needs of everyone and to curb the current problem.

MR WONG KWOK-HING (in Cantonese): *President, the Secretary has not answered my question about the time, when will "as soon as possible" exactly be? I would like the Secretary to explain when the tiger can be fitted with the teeth.*

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): Madam President, as we all know that even if we are going to make amendments to existing legislations, any proposals have to go through a process. With regard to the direction that we are moving forward, after gauging views from the general public earlier, we are currently conducting an in-depth study on the seven proposed options one by one. As we all know, it is impossible to make the amendments within this year (that is, the current Legislative Session), but if amendments to the existing law are to be made, we hope that we can do something in the new Legislative Session. The last meeting of the Legislative Council Panel on Manpower will be held on July 8, I undertake to give a full account of the latest development by then.

MR LAU CHIN-SHEK (in Cantonese): *President, today, we are concerned about that after Labour Tribunal rules in favour of the employees, the employees cannot get the compensation awarded, for they are entitled to these rights and interests as stipulated by the law. If they cannot get the compensation even after the court has made the judgment, then the law will exist in name only.*

Colleagues from the labour sector and I have actually already set a target to request the Government to propose to us a clear and feasible method and option within the current Legislative Session.

The Secretary mentioned LAD in the second paragraph of part (c) in the main reply. Since some cases concerning non-compliance of Labour Tribunal awards involve a large number of employees, but LAD will only file bankruptcy or winding-up petition for employees who meet the eligibility requirements of LAD, some employers (such as Sing Pao Daily News) will take advantage of the loophole and claim that the wages in arrears have already been paid to the employees receiving legal aid, with the intent to discontinue the procedure for filing bankruptcy and winding-up petitions, but keep on defaulting on payment of wages of other employees. May I ask the authorities how the loophole can be plugged?

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): Madam President, I am fully aware of the importance of legal aid to the aggrieved parties, as they will be able to file winding up or bankruptcy petitions by means of legal aids, thereby putting pressure on employers; or they may use PWIF as a last line of defence and a safety net, thereby advancing the payment of arrears. Therefore, we understand that this is a very important option and a means.

We are currently conducting an in-depth study in conjunction with the Home Affairs Bureau and LAD, as they have to consider very carefully from the policy aspect, because they are concerned that whether any change will produce the so-called knock-on effect. Members have just mentioned the situation of the aggrieved parties in general, that is, the situation of a group of employees. Our current practice is that, as long as several employees meet the requirements, say the means tests, then other employees may also benefit, that is to say, we will take collective actions to deal with them.

The *Sing Pao Daily News* case cited by Member just now is an example. We are currently examining whether there are room and flexibility to improve the situation in the future, so that employees may have greater access to legal aid. This is the task we have to do in the next few weeks.

MR LAU CHIN-SHEK (in Cantonese): *President, just now the Secretary has mentioned in his response that if amendments are to be made, it is very unlikely that the amendments can be made within this Legislative Session, but actually there are some room in so far as LAD is concerned. Can the Secretary inform us whether or not some specific progress could be achieved in this respect within the current Legislative Session?*

PRESIDENT (in Cantonese): Mr LAU Chin-shek, is this part of the supplementary question you have raised just now?

MR LAU CHIN-SHEK (in Cantonese): *Yes.*

PRESIDENT (in Cantonese): I ask you this because you are raising a follow-up question. In other words, you consider that the Secretary has not answered your supplementary question, right?

MR LAU CHIN-SHEK (in Cantonese): *Yes, the Secretary has not answered my supplementary.*

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): Madam President, I would like to clarify to Mr LAU, it actually involves amendments to legislations, and we have examined that its flexibility (the so-called discretionary power) is very narrow.

In any case, Madam President, I would also like to take this opportunity to explain one thing, that is, we need time to deal with any option, regardless of the implementation of such an option or the amendments to legislations. In the meantime, we are not idling around, the Labour Department is studying the feasibility — and the feasibility is rather high — of a support service provided by an Award Enforcement Support Officer, and the purpose is that during this period, a new file will be opened on any mediation case handled by the Labour Department in the mediation process, the employees concerned will be informed of the fact that which colleague or officer will become their counterparts if the mediation fails and the case is to be transferred to Labour Tribunal. If unexpected events occur during the enforcement of the award, or in case the award is unenforceable, they can immediately contact the officer concerned (that is, the branch officer responsible for the case) by phone. What is the benefit of this approach? The benefit is that we can provide all-round support in so far as information is concerned, and in case there are problems waiting to be solved or a referral process becomes necessary, we will be able to provide a more personal and readily available service.

Of course, at the end, amendments to legislations are inevitable, which is a major move. However, but in the meantime, at least, if anything goes wrong, every employee there is also another benefit, that is, we can identify the type of employer. In addition, if the employee is willing to give evidence, coupled with sufficient evidence, according to our long-standing policy, we will initiate immediate prosecution actions. I hope that this could be carried out in two separate levels, first, we can send a strong message to the employers, and the second is to provide tangible support to the employees. For that reason, Madam President, we hope the scheme could be launched by next month, that is, to carry out case management from the source.

MR KWONG CHI-KIN (in Cantonese): *President, Mr WONG Kwok-hing asked the Secretary of the measures to combat unscrupulous employers who deliberately default on payment of wages, the Secretary talked about a lot of things, but in short, it could be summed up in just a few words: he is "at his wit's end".*

In addition, a Member has raised the Sing Pao Daily News case. May I ask the Secretary how he will sum up the Sing Pao Daily News case? Sing Pao Daily News had been defaulting on payment of wages over the years, even when it was prosecuted, it was only fined a few thousand dollars, but the company claimed that it was too insolvent to pay the fine; employees had to apply for PWIF and legal aid — Mr LAU Chin-shek said earlier that the Government was badly bashed and battered by Sing Pao Daily News as it only repaid the arrears of wages to the employee concerned. Finally, it was not until the Mandatory Provident Fund Authority which made the move by issuing a legal letter to threaten to liquidate the company within 21 days that the company paid all the arrears of wages.

May I ask the Secretary whether the Government is feeling helpless as it is facing these unscrupulous employers such as Sing Pao Daily News which has the Government under its complete control? Will this deal a heavy blow to the prestige of the Government in governance in view of this helplessness?

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): Madam President, I am afraid I will not comment on individual cases. We generally will not make such comments.

However, as a whole, we are highly concerned about the fact that employers fail to comply with Labour Tribunal's judgment. If an employer becomes insolvent, then it is another matter, but if an employer is solvent but deliberately defaults on the payment, I think this is unreasonable and unacceptable. Therefore, we are exploring ways along this direction to combat employers who do not abide by the law. If an employer goes to bankruptcy, there is nothing we can say; but if he is solvent and can make the payment but deliberately defaults on the payment, it will be absolutely unacceptable. Therefore, our view is consistent with that of Members: We will make an effort to combat these malpractices. We will do the same in the area of assisting

employees. We will "walk on two legs" and make an effort by employing a two-pronged approach.

We understand that Members are concerned about the issue. As I have mentioned just now, we will make an effort in the next few weeks, and hopefully we can come up with some practicable and feasible options, so that the situation could be improved comprehensively and thoroughly.

MR KWONG CHI-KIN (in Cantonese): *President, the Secretary did not answer my supplementary question. My question was: Since the Government was fooled and made fun of by these unscrupulous employers, and there was no solution at all, will the Secretary consider that this will cause an adverse impact on the prestige of the Government in governance?*

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): Madam President, they are two different matters, we should not mix up the two. As to these individual cases, why are there decades-long problems? It is because the judgment of Labour Tribunal is an award enforcement in civil proceedings. As the burden rests with the employees in civil proceedings, so the entire matter is related to the procedure and courtroom operations, it is entirely different from the question of the prestige of the Government in governance.

PRESIDENT (in Cantonese): The Council has spent more than 20 minutes on this question. Last supplementary question.

MS LI FUNG-YING (in Cantonese): *The Secretary said that after adjusting the investigation strategy, the law enforcement side was rather encouraging. However, from the perspective of wage earners, the situation is just the opposite of what the Secretary has said, because the situation is infuriating and frustrating.*

According to statistical figures, the number of convicted summones against responsible persons of body corporates for wage offence in 2007 has increased 83% over 2006; the figures from January to April 2008 has increased 92% over the corresponding period in 2007, and there are more and more wage default cases involving body corporates. President, how can it be encouraging?

With regard to these figures, may I ask the Secretary whether this is a law enforcement issue or a court judgment issue? Why can employers and responsible persons of body corporates ignore the law and become so lawless to keep on defaulting on payment of wages? What measures does the Secretary have to improve the situation?

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): Madam President, those figures just happen to reflect the success we have achieved after we have our prosecution policy adjusted. In the past, it was difficult for us to prosecute those so-called people in charge of companies, that is to say, it was hard to hold them responsible, but now we are able to conduct evidence collection and intelligence analysis by invoking section 64B of the Employment Ordinance. As the overall prosecution policy is rather aggressive and proactive, we can see that the figures of prosecution have increased. The figures show our success in prosecution, as well as our efforts. And the situation has not deteriorated. In fact, we are dealing with the problem really from the source and a deterrent message has been sent.

MS LI FUNG-YING (in Cantonese): *President, the Secretary did not answer my supplementary. If there is a deterrent effect, the number of wage default should gradually decrease, or even no figure of wage default at all, but these figures are on the increase and employers are even bold enough to default wages, that is to say, the Government is unable to combat against employers or responsible persons of body corporates.*

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): Madam President, those are the figures of prosecution, not the number of cases of wage default. The number of wage default cases is declining, which is an improvement, while the number of application for PWIF has also decreased. Ms LI, these are the figures of prosecution. They are two different things, please do not mix up the two.

PRESIDENT (in Cantonese): Fourth Question.

Rising Inflation

4. **MR FREDERICK FUNG** (in Cantonese): *President, when he attended the meeting of this Council on 15 May, the Chief Executive confirmed that, in vetting fare increase applications by public transport operators, the Government would put public affordability first as the most important consideration that would take precedence over shareholders' interests, and he would put forward more specific measures in this year's policy address to alleviate the burden of rising prices on people's livelihood. On the other hand, the inflation rate for April this year was as high as 5.4%, which represented an increase of 1.2% over that of March and was higher than the Government's estimate of 4.5% made when this fiscal year's Budget was published. In this connection, will the Government inform this Council:*

- (a) *whether it will adjust upwards the estimated annual inflation rate, and whether it has assessed the impact of last month's earthquake in Sichuan Province on the food prices and supplies in Hong Kong;*
- (b) *how it ensures that "public affordability" will take precedence over the relevant shareholders' interests as a factor for consideration in vetting fare increase applications by public transport operators, and of the objective criteria for assessing if the relevant rates of increase are within public affordability; and*
- (c) *whether it has assessed if it will be too late to announce, in the policy address in October this year, measures to further alleviate the pressure of inflation on the public; whether it will consider implementing some new measures as soon as possible, so as to alleviate the pressure of inflation on low-income families?*

FINANCIAL SECRETARY (in Cantonese): Madam President, my reply to the three parts of the question is as follows:

- (a) The short-term inflation outlook will hinge much on the movements of food prices in the international markets, which are expected to be volatile. In addition, the persistent high prices of crude oil and other commodities in the world markets, the weak US dollar, the appreciation of Renminbi and the sustained strength of the local economy will continue to exert inflationary pressure for some time

to come. The underlying inflation rate for 2008 is forecast at 4.5%. If, however, the alleviation effect of the various measures to help lower the Composite CPI is taken into account, the forecast headline inflation rate for 2008 is 3.4%. The Government is well aware of upside risks to these forecasts, and will continue to monitor the situation closely and review the inflation forecasts as more incoming data become available.

Regarding the impact of the recent Sichuan earthquake on food prices, the hard-hit Wenchuan County, which is situated in a mountainous region, is not an important food and industrial production area. Nevertheless, the impact of the disaster on Mainland's overall food supply chain and food prices remains to be seen.

The Sichuan Province is not a major source of food imports to Hong Kong. While the province is the largest producer of pork in the Mainland, the live pigs consumed in Hong Kong mainly come from other provinces such as Guangdong, Jiangxi and Hunan, with Guangdong accounting for half of the supply. Regarding frozen pork, the monthly supply from the Sichuan Province is 1 200 tonnes. It is estimated that the earthquake will result in a reduction of about 500 tonnes in the monthly supply, which only accounts for 3% of the supply of frozen pork to Hong Kong. To make up for the shortfall, the mainland authorities concerned will increase the supply of pork from other provinces. The food supply to Hong Kong has been generally normal since the earthquake on 12 May.

- (b) The Government will certainly handle fare increase applications from public transport operators with prudence. Public acceptability and affordability have all along been an important factor taken into account by the Government in assessing fare adjustment applications submitted by these operators. In fact, we have put in place comprehensive mechanisms to assess and handle fare adjustment applications on public transport services. For example, in assessing the fare increase applications from bus operators, the Government has considered and balanced all relevant factors in the bus fare adjustment arrangement. These factors include changes in operating costs and revenue of operators since the last fare adjustment; forecasts of future costs, revenue and

return; the need to provide the operators with a reasonable rate of return; the quality and quantity of services; the outcome of the formula; and public acceptability and affordability.

In the course of handling major public transport service issues, the Government will also consult the Panel on Transport of the Legislative Council and the Transport Advisory Committee (TAC) to gauge and take into account public concerns. After giving full consideration to the views from the Legislative Council, the TAC and various sectors of the community, the Chief Executive in Council will make a final decision. In assessing fare adjustment applications on services at the district level, the Government will consult local representatives concerned to collect views from the local communities on fare adjustment.

We will thoroughly consider all relevant factors in order to make a decision that is well balanced and in the public interest. Such a decision will be made having regard to public affordability on the one hand and to operators' ability to sustain the provision of efficient public transport services to meet the needs of the public on the other hand.

- (c) As mentioned above, the short-term inflation outlook will hinge much on food prices. The Government will continue to adopt appropriate measures, with the support of the State, to ensure a sufficient supply of food for Hong Kong. The Government also encourages the trades to broaden sources of food supply to make it more diversified and stable.

The Government is much concerned about the impact of inflation on the disadvantaged groups and low-income earners, and therefore proposed various relief measures in the 2008-2009 Budget to help the disadvantaged groups and low-income earners. These measures include:

- granting electricity charge subsidy;
- paying one month's rent for lower income families living in the rental units of the Hong Kong Housing Authority and the Hong Kong Housing Society;

- relaxing the eligibility criteria and requirements of the pilot Transport Support Scheme;
- providing additional payment of Comprehensive Social Security Assistance (CSSA), Disability Allowance and Old Age Allowance;
- advancing the adjustment of the CSSA payment rates in accordance with the existing mechanism ahead of the normal schedule; and
- waiving rates for 2008-2009, subject to a ceiling of \$5,000 per quarter for each rateable tenement, and so on.

Our most pressing job now is to implement these measures as early as practicable, so as to relieve the burden of inflation on the public, especially low-income families.

MR FREDERICK FUNG (in Cantonese): *President, I wish to put a follow-up on part (c) of the main question. Members may well be aware that the Financial Secretary is a little lagging behind in addressing in the Budget the issue of relieving the impact of inflation on low-income earners, because the measures proposed were based on statistical information before the Budget delivery. However, the situation one month later has quickly worsened, that is, the inflation rate has gone up by 1.2% since the Budget delivery. I thus think that the relief measures the Financial Secretary proposed in the Budget can no longer keep abreast of the time. At present, if the Financial Secretary still addresses the situation with such budgetary measures, consideration has simply not been given to cover the lost ground. May I ask the Financial Secretary, in relation to the measure of exempting one month's rents, whether consideration has been given to exempting rents for one more month? Will transport allowance be expanded from four districts to cover the entire Hong Kong? Will the level of CSSA payment be restored to the level at 2002-2003? Only by so doing will the lost ground be truly recovered.*

FINANCIAL SECRETARY (in Cantonese): Madam President, as I have said in the main reply, our most pressing job at the moment is to implement as soon as

possible the series of relief measures the Financial Secretary announced in end February, in order to relieve the burden of inflation on the disadvantaged groups and low-income families. However, as I have analysed just now, the pressure of inflation hinges predominantly on food prices. We mentioned just now that the headline inflation rate of Hong Kong for the first four months has gone up by 4.8%, while the figure Mr Frederick FUNG cited is for a single month only. Of the 4.8% inflation, 39% (that is, 1.9%) is caused by rising food prices. As the food prices in May became steady, more observation is needed before we discuss actions to be taken at the next stage.

MRS SOPHIE LEUNG (in Cantonese): *I wish to put a follow-up on part (c) of the main question. The Secretary said that "the short-term inflation outlook will hinge much on food prices The Government also encourages the trades to broaden sources of food supply". Given the changes in the environment of our neighbouring regions, in particular after the implementation of the Three Direct Links policy of Taiwan, will more food be imported from Taiwan?*

FINANCIAL SECRETARY (in Cantonese): I notice that later on there will be a motion debate in this Council on Hong Kong-Taiwan ties and whether the Three Direct Links will have an impact on the economy of Hong Kong. I truly believe that my colleagues, that is, colleagues of the Commerce and Economic Development Bureau will seek to find appropriate measures in various directions to broaden local food supplies, in a bid to lessen the pressure of rising food prices on people's livelihood.

MR LEUNG YIU-CHUNG (in Cantonese): *President, the Secretary has repeatedly emphasized just now that inflation hinges on commodity prices, while food prices have a major impact on commodity prices. Despite saying just now that continual efforts will be made to adopt appropriate measures, the Government does not mention what the appropriate measures are. The Secretary replied just now that ongoing efforts will be made to keep constant and close watch on the changes. Will this approach fail to keep abreast of the time? If new measures are proposed slowly in face of the escalating prices, is it too slow to react to the situation and thereby rendering the public unable to deal with*

the escalating prices? Hence, can the Secretary inform us, first, of the content of the appropriate measures continue to be adopted? Will such measures include, among others, setting price restrictions and a price ceiling so that we can calmly deal with the pressure of inflation?

FINANCIAL SECRETARY (in Cantonese): In relation to counteracting or relieving inflationary pressure, every government will follow its established policy to formulate appropriate measures. Take Hong Kong as an example, we are a free economy. Our products, especially food products, rely predominantly on imports. Thus, what we can do is to ensure a sufficient and diversified supply. Any unnecessary interference on local prices is prevented through a highly transparent mechanism. However, if price restrictions, as mentioned by Mr LEUNG Yiu-chung just now, are adopted, this seems contrary to the long-standing concept of economy in Hong Kong.

PRESIDENT (in Cantonese): Mr LEUNG Yiu-chung, has your supplementary question not been answered?

MR LEUNG YIU-CHUNG (in Cantonese): *No, President. The Secretary only replied that my proposal is not feasible, but she did not mention what appropriate measures the Government has to rein in inflation and rising prices.*

FINANCIAL SECRETARY (in Cantonese): Regarding food supply, the overwhelming majority of the food in Hong Kong, in particular pork and beef, comes from the Mainland. In this regard, the State has in fact undertaken that the food supply to Hong Kong will remain stable. As for broadening the sources of other food supply markets, colleagues of the Commerce and Economic Development Bureau are now working on this. For instance, we have recently secured the Thailand Government's assurance to provide a stable supply of rice to Hong Kong. We will work along this direction.

MISS CHAN YUEN-HAN (in Cantonese): *President, I have been listening attentively to the Financial Secretary's speech. I think the Government has*

underestimated the public grievances induced by the inflation now because according to her remark and the content of part (c) of the main reply, the Government will adopt measures laid down in the Budget last year or this year to tackle the soaring inflation in the following year. As the Financial Secretary has said, inflation mainly comes from food prices. The Government understands this but it fails to note the public grievances. Public grievances are escalating. If the Government still resorts to these measures poor people generally seldom eat meat but even the middle class also buy less meat. We now often encounter some problems President, in this regard, will the Government turn a blind eye to public opinion and their grievances, refusing to address this issue until October? Or should this be addressed earlier?

FINANCIAL SECRETARY (in Cantonese): Madam President, Miss CHAN Yuen-han should also notice that most of the budgetary measures I mentioned just now will be rolled out progressively. The effect of these relief measures is yet to be brought into full play because most of them have just been endorsed by the Legislative Council. In particular, under the present mechanism, the proposal of advancing the adjustment of the CSSA payment rates ahead of the normal schedule on the basis of half-year statistics, as far as I know, will not be tabled to the Finance Committee of the Legislative Council for approval until this Friday. Nevertheless, Miss CHAN can rest assured that the SAR Government sets great store on issues concerning people's livelihood. We will thus maintain close watch on the situation and be mindful of Members' views tendered to us. In this regard, the Financial Secretary will personally attend the meeting of the Legislative Council Panel on Financial Affairs on 10 June to brief Members on the economic development in the past quarter, and he particularly wishes to take the opportunity to listen to Members' views relating to the impacts of inflation on the public.

MR LEUNG KWOK-HUNG (in Cantonese): *I heard the Secretary say in her reply to Mr LEUNG Yiu-chung that his proposal runs counter to the free market. In fact, Premier WEN Jiabao once said that "a true reformer should fear neither heaven, nor convention, nor gossip". If the lowest end of the social spectrum in Hong Kong can feel the impact of inflation, I hold that the Government is duty-bound to adopt measures to tackle it. May I ask the Secretary, that is, one of the Bureaux Directors, first of all, whether the Government will set the level of*

minimum wage and restore the right to collective bargaining, so that the salary of low-income earners can be adjusted in the days of inflation, and whether government allowance receivers can receive immediate supports according to the rising pay trend?

FINANCIAL SECRETARY (in Cantonese): Madam President, I believe Mr LEUNG Kwok-hung as well as other Members of the Legislative Council are well aware of the Government's concerns on labour issues. Regarding minimum wage, the Government has repeatedly specified its stance; that is, an overall review will be conducted after the Wage Protection Movement has been implemented for two years; if the Movement is found not effective, we will proceed with the legislative work.

MR LEUNG KWOK-HUNG (in Cantonese): *President, President, she did not answer my question.*

PRESIDENT (in Cantonese): Which part of your supplementary question has not been answered by the Secretary? Will you please repeat that part.

MR LEUNG KWOK-HUNG (in Cantonese): *President, she did not answer the part on whether the right to collective bargaining will be restored and the standard of social welfare be adjusted in face of inflation.*

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

FINANCIAL SECRETARY (in Cantonese): My supplement is that, Members may well know that the social welfare system in Hong Kong can already act as a social safety net. At present, nearly 17 000 families are protected under the safety net for reason of low income, in a bid to relieve the pressure of inflation or other problems on low-income families in their daily life. Regarding the right to collective bargaining mentioned by Mr LEUNG, he should understand the Government's stance in this regard very well and I thus have nothing special to add.

MR TOMMY CHEUNG (in Cantonese): *President, it is often hard for the Government to control inflation, but for the issue of live chicken, it is entirely controlled in the hands of the Secretary — Secretary Dr York CHOW. May I ask the Secretary whether she can examine with Secretary Dr York CHOW the issue of relaxing the daily number of chicken imported, as this will bring down the price of chicken, and thereby relieve the burden of people on eating chicken?(Laughter)*

FINANCIAL SECRETARY (in Cantonese): Madam President, I am not an expert in this area, but I will look into Mr Tommy CHEUNG's proposal with Secretary Dr York CHOW.

MISS TAM HEUNG-MAN (in Cantonese): *President, food is a major problem troubling low-income earners, particularly in view of food prices having been pushed up by inflation for 30% or more. The Government has mentioned some measures in the main reply, but such measures may not be able to provide an immediate solution to the problem of inflation faced by low-income earners. Has the Government considered providing low-income earners with a one-off living allowance, such as giving out food coupons, presents coupons, and so on, to help the grassroots solve the problem of soaring inflation?*

FINANCIAL SECRETARY (in Cantonese): Although Miss TAM Heung-man has noted that the series of budgetary measures do not specifically target at relieving the pressure of rising food prices, I believe Miss TAM also agrees that by granting electricity charge subsidy, exempting one month's rent or even exempting rates for one year, low-income families can have more disposable income to deal with the pressure brought by the rising food prices.

PRESIDENT (in Cantonese): Miss TAM, has your supplementary question not been answered?

MISS TAM HEUNG-MAN (in Cantonese): *No, President. With the inflation escalating while the electricity charge subsidy will only be granted in phases within three years, how can the Government expeditiously solve the problem of inflation in a bid to help these low-income earners?*

FINANCIAL SECRETARY (in Cantonese): Madam President, simply put, we will make the full use of these relief measures to increase the disposable cash income of these low-income families, with a view to meeting or tackling the pressure they are subject to on food prices.

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

MR LAU KONG-WAH (in Cantonese): *President, one of the reasons for the rising prices is the surging oil prices. The Government certainly cannot control oil prices, but fuel is a leviable item. As the fuel duty is very high at the moment, can the Government consider relaxing or even exempting the duty?*

FINANCIAL SECRETARY (in Cantonese): We understand that oil prices have recently been pushed up by the fluctuating global oil prices. Mr LAU Kong-wah also understands that the Government has implemented on a number of occasions many concessions on diesel used by the sector. The duty concession for ultra-low-sulfur diesel has been extended for eight times since 1999. The present duty stands at \$1.11 per litre. Moreover, in last December, we introduced the environmentally friendly diesel, which meets the Euro V standard, at a concessionary duty of \$0.56 per litre. Thus, the two should not account for a large proportion of the sector's current operating cost, but the Government will certainly take heed of views of the sector and Members and conduct further review when necessary.

PRESIDENT (in Cantonese): Mr LAU Kong-wah, has your supplementary question not been answered?

MR LAU KONG-WAH (in Cantonese): *President, what she has mentioned are past measures, but I have specifically asked whether she will consider an exemption. We know about the past situation, but the present situation is very critical.*

FINANCIAL SECRETARY (in Cantonese): We will keep close watch on the situation and adopt measures when necessary.

PRESIDENT (in Cantonese): Fifth question.

Appointment of Under Secretaries at Rank of Deputy Director of Bureau and Political Assistants to Directors of Bureaux

5. **MR MARTIN LEE** (in Cantonese): *Madam President, recently, the Chief Executive appointed the first batch of eight Under Secretaries at the rank of Deputy Director of Bureau and nine Political Assistants to Directors of Bureaux. In this connection, will the Government inform this Council:*

- (a) *of the monthly salary and fringe benefits of each Under Secretary and Political Assistant, and whether there are any differences among the fringe benefits of various Under Secretaries;*
- (b) *which of these Under Secretaries and Political Assistants are holding foreign passports; given that Article 61 of the Basic Law provides that the principal officials of the Hong Kong Special Administrative Region (HKSAR) shall be Chinese citizens who are permanent residents of the Region with no right of abode in any foreign country, whether the authorities have assessed if it is a breach of this provision for an Under Secretary holding a foreign passport to act as a principal official at the rank of Director of Bureau; and*
- (c) *given that Article 15 of the Basic Law provides that the principal officials shall be appointed by the Central People's Government, whether the authorities have assessed if the Central People's Government's appointment is required before these Under Secretaries act as principal officials at the rank of Director of Bureau in the future; if the assessment result is that this is not required, of the rationale for that?*

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Cantonese): Madam President,

- (a) As set out in the "Report on Further Development of the Political Appointment System" (the Report) issued by the authorities in October 2007, the level of remuneration for Deputy Directors of Bureau is pitched at a range equivalent to 65% to 75% of the remuneration for a Director of Bureau (comprising three pay points), and the level of remuneration for Political Assistants is pitched at a range equivalent to 35% to 55% of the remuneration for a Director of Bureau (comprising five pay points).

So far, the Government has appointed eight Deputy Directors of Bureau and nine Political Assistants. The following two tables set out the number of officials at the relevant pay points:

Deputy Director of Bureau

<i>As a percentage of the remuneration for a Director of Bureau</i>	<i>Present remuneration</i>	<i>Number of appointees involved</i>
70%	\$208,680	4
75%	\$223,585	4

Political Assistant

<i>As a percentage of the remuneration for a Director of Bureau</i>	<i>Present remuneration</i>	<i>Number of appointees involved</i>
45%	\$134,150	7
50%	\$149,055	1
55%	\$163,960	1

In addition to cash remuneration, the Deputy Directors of Bureau and Political Assistants are also eligible for annual leave of 22 days per annum, medical and dental benefits and Mandatory Provident Fund contribution by the Government.

Since Deputy Directors of Bureau and Political Assistants are remunerated on the basis of a total cash package, there are no housing allowance, no passage allowance and no gratuity benefits for them.

The above remuneration packages were approved by the Finance Committee of the Legislative Council in December 2007.

- (b) The Report issued by the authorities in October 2007 has set out that, in line with the Basic Law, Deputy Directors of Bureau and Political Assistants must be permanent residents of the HKSAR. All the newly appointed Deputy Directors of Bureau and Political Assistants have met this requirement.

As regards the additional requirements under the Basic Law (Article 61) for principal officials that they shall be Chinese citizens who are permanent residents of the HKSAR with no right of abode in any foreign country and have ordinarily resided in Hong Kong for a continuous period of not less than 15 years, such requirements are not applicable to Deputy Directors of Bureau and Political Assistants since they are not principal officials.

In fact, in the Report issued in October 2007, the authorities have made clear that Deputy Directors of Bureau are not principal officials and that there is no need for them to be appointed by the Central People's Government. It can be seen from the above that they are not subject to the requirement of having no right of abode in any foreign country, as in the case of principal officials. The position of the authorities has been clear.

According to the Draft Basic Law for Solicitation of Opinions in 1988, "only Chinese nationals among permanent residents of the Region can fill the following posts: the Secretary and Deputy Secretaries of Departments, Directors of Bureaus, Commissioner Against Corruption, Director of Audit, Deputy Directors for Security and Civil Service, Commissioner and Deputy Commissioners of Police, Commissioner and Deputy Commissioners of External Affairs, Commissioner of Immigration and Inspector General of Customs and Excise".

It can be seen from the above that, during the drafting process of the Basic Law, consideration was once made on requiring the "Deputy Directors for Security and for Civil Service" to be subject to the same requirements applicable to the principal officials. However, in the Basic Law promulgated in 1990, the references to the above "Deputy Director" posts were taken out from the relevant provision. Therefore, the legislative intention of the Basic Law is clear, that is, only Secretaries and Deputy Secretaries of Departments, Directors

of Bureaux, and a number of other department heads, are required to be filled by Chinese citizens among permanent residents of the Region with no right of abode in any foreign country.

Among those newly appointed, the eight Deputy Directors of Bureau have made public separately on whether they have right of abode in any foreign country. Among these eight, five have indicated in the affirmative.

As regards the Political Assistants, we understand that some of them have made public on whether they have right of abode in any foreign country.

We respect the personal decisions of Deputy Directors of Bureau and Political Assistants on whether to disclose and how to handle any right of abode in foreign countries they may have.

- (c) Whilst Deputy Directors of Bureau may act in the positions of Directors of Bureau during the latter's absence, they are still not "principal officials", and the acting arrangement is only an administrative measure. Such an arrangement does not contravene the Basic Law.

As a matter of fact, the principle involved can be illustrated by the following two types of occasions where acting arrangement has been made. Between 1997 and 2002, that is, prior to the implementation of the Political Appointment System, the deputies to the Directors of Bureau could act in the latter's position. Similarly, for principal official positions which are held by civil servants since the handover (that is, Commissioner of the Independent Commission Against Corruption, Director of Audit, Commissioner of Police, Director of Immigration and Commissioner of Customs and Excise), there is no need for their deputies to be appointed by the Central People's Government, nor is there any requirement on their right of abode, as in the case of principal officials. These deputies also have the opportunity to act in the positions of the principal officials concerned during the latter's absence.

The above arrangements do not contravene the Basic Law.

MR MARTIN LEE (in Cantonese): *Madam President, at present, the public can know fully how much money is paid individually every month from the public coffers to the Chief Executive, the Secretaries of Departments, the Directors of Bureaux, public officers of various ranks and Legislative Council Members and their staff in Hong Kong. The 17 favourites of the Chief Executive are the only exception. For example, Secretary, speaking of the Under Secretary working for you, is he one of the four Deputy Directors of Bureau with lower salaries? Or, is he one of the four Deputy Directors of Bureau with higher salaries? And, how about your Political Assistant? Is he one of the seven Political Assistants with lower salaries? Is he one of those with higher salaries? Or, is he the one with yet higher salaries? There are no ways for the public to know all such information. May I ask the Government which is more important — the people's right to know or the face of the Chief Executive and his team?*

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Cantonese): Madam President, in regard to matters relating to salaries, we will on the one hand surely pay heed to the people's right to know, because as the SAR Government, we are obligated to let the public know how public money is being used. On the other hand, the SAR Government has already established a set of principles on such matters over the years. Therefore, once the Finance Committee gave its approval for the creation of the 20 or so posts in December last year, we proceeded to pitch a range comprising three pay points for Deputy Directors of Bureau and a range comprising five pay points for Political Assistants on the basis of the proposal we submitted to the Legislative Council. All these colleagues are employed within the respective range of pay points.

Last Saturday, the Chief Executive also made an announcement on the number of officials at the relevant pay points in general. I can therefore say that we have already explained to the Legislative Council and the public how much public money will be spent in total. Members can in fact monitor the whole situation. But I must also point out that under the long established practice of the SAR Government, in cases where there is a range of pay points for a certain rank of officials, the respective pay points of individual officials will not be disclosed. For instance, there are several pay points for directorate grade civil servants at the levels of D1, D2, D3 and D4, but we do not disclose the pay points of individual directorate officials.

MR MARTIN LEE (in Cantonese): *Madam President, my supplementary question is: Which does the Government consider more important — the people's right to know or the face of the Government? This is my supplementary question.*

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Cantonese): Madam President, we have all the time adhered to the principle approved by the Finance Committee.

MRS ANSON CHAN (in Cantonese): *It can be observed from the Secretary's reply that there are currently no uniform salaries for the Deputy Directors of Bureau and Political Assistants in question. May I ask the Secretary to explain the criteria adopted by the Government or the Chief Executive in respect of career history, academic qualifications and experience when setting the salaries of these officials?*

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Cantonese): Madam President, the Appointment Committee chaired by the Chief Executive will formulate the relevant agreement terms after considering the academic qualifications, working experience and ability of individual appointees.

MR CHEUNG MAN-KWONG (in Cantonese): *President, in essence, the Government's reply is all about "no disclosure". The present issue of Deputy Directors of Bureau and Political Assistants can show that the whole appointment process is clandestine in nature, with haphazard appointment criteria. Some appointees are offered super high salaries, but they refuse to forgo their double nationality. As a matter of fact, this has severely impaired the credibility of Donald TSANG's administration. May I ask the Secretary whether the SAR Government has been turned into a private club which regards taxpayers' money as its private asset, passing benefits secretly around and refusing to make any disclosure? This leads us to doubt the political loyalty of these principal accountability officials and their commitment to Hong Kong. It is already 10 years into the reunification, so why must Hong Kong people continue to be ruled by a team of principal officials suspected to be of many nationalities?*

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Cantonese): Madam President, I think Mr CHEUNG Man-kwong's argument and expressions are really very unfair to this group of colleagues. And, his words cannot reflect the truth either. If Members care to look at the backgrounds of the dozen or so newly employed colleagues, they will notice their wide range of academic qualifications and working experience. They are from the mass media, the academia and the professions. And, there are also former civil servants. Speaking of academic qualifications, some of them graduated from Cambridge, Oxford and other renowned academic institutions in the United States. If Mr CHEUNG Man-kwong thinks that this group of colleagues do not hold any appropriate academic qualifications, there must be some kind of oversight on his part. There are many such talents among the middle class and professionals in Hong Kong. Our selection process this time around has been based solely on abilities, and the number of people considered for appointment is well over 100.

Regarding the right of abode in foreign countries, Members must realize that over the past 20 years or so since the signing of the Sino-British Joint Declaration in 1984, both the Central Government and the SAR Government have been adopting quite a lenient and flexible approach under the Basic Law in this regard. Members may recall that several years before the reunification, we actually held many discussions on how to treat those Hong Kong people who return to live here after emigrating to other countries. For this reason, in 1996, the Central Authorities made an explanation via the Standing Committee of the National People's Congress, specifying how the Nationality Law of China shall be applied in Hong Kong after the reunification. Hong Kong permanent residents of Chinese nationality who have emigrated to other countries shall also be permitted to apply for Hong Kong Special Administrative Region Passports while retaining their foreign passports as travel documents. Our present recruitment exercise aims to cast a wide net for the talents and professionals in Hong Kong. After joining the Government, the appointees can decide on their own how they are going to disclose and handle their right of abode in foreign countries. I do not think that it is at all fair for Members to question the integrity and commitment of this group of colleagues purely on the ground of their right of abode in foreign countries.

If Members study the Basic Law, they will see that while there is flexibility for the Executive Authorities, that is, the flexibility that only top government officials — the Secretaries of Departments, Directors of Bureaux

and several heads of departments — are not allowed to hold the right of abode in foreign countries, the same flexibility is also available to this legislature. Of the 60 seats in this legislature, 20%, that is, 12 seats can be filled by Hong Kong permanent residents who are not of Chinese nationality with right of abode in foreign countries. The seat for the legal functional constituency is one example. If Members question the integrity and commitment of the officials concerned, should they also question the commitment of the Legislative Council Members who have been serving Hong Kong for years?

MR CHEUNG MAN-KWONG (in Cantonese): *My supplementary question is not about the academic qualifications of these top officials. It is about politics. My question is: Will questions about political loyalty and commitment to Hong Kong result if a person appointed as a top accountability official of Hong Kong is still unwilling to forgo his foreign nationality? Moreover, now that it is already 10 years after the reunification, should Hong Kong continue to be ruled by officials suspected to be of different nationalities? These questions are about politics, not academic qualifications.*

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Cantonese): Madam President, I of course understand that Mr CHEUNG Man-kwong's supplementary question and position are about politics. Actually, over the past two weeks, they have been talking mostly about politics and very little about the Basic Law.

In Hong Kong, there are two important principles. First, to act according to the law is one of our core values. And, it is entirely appropriate to employ principal officials and their assistants as provided for under the Basic Law. This is entirely in line with this core value of Hong Kong. Second, Hong Kong is a leading international city in Asia. Many Hong Kong people are of Chinese nationality. Why should they be barred from returning to Hong Kong, from serving and building Hong Kong, after completing their studies overseas or emigration?

MR JAMES TIEN (in Cantonese): *President, the underlying principle of the Government's proposal is of course selection based on talents, and the appointees must possess the necessary experience and academic qualifications.*

But speaking of the seven Political Assistants each with a monthly salary of \$134,000, may I ask the Government how much their previous salaries were — also more than \$100,000 or just \$30,000 to \$40,000, as reported by the mass media? If their individual salaries are increased from \$30,000 or \$40,000 to as much as \$130,000, may I ask the Government to tell us the justifications? Besides, very simply, were these people asked during their interviews whether they had the right of abode in foreign countries?

PRESIDENT (in Cantonese): You have asked two supplementary questions, but never mind

MR JAMES TIEN (in Cantonese): *President, I hope I can "bend the rules" a little bit and hope that you were not aware of this.*

PRESIDENT (in Cantonese): But I am clearly aware of this. *(Laughter)* Secretary, please answer the first supplementary question first. Mr TIEN, officials may sometimes decide to answer all the supplementary questions asked. But it is my duty to point out that you have asked two supplementary questions.

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Cantonese): Madam President, before deciding to employ these colleagues, we of course had knowledge about their academic qualifications, working experience, ability, current positions and salaries. Besides, we will also conduct integrity vetting in respect of every new government appointee. We are therefore certainly aware of their personal backgrounds, including their places of residency over the years.

MR JAMES TIEN (in Cantonese): *President, he has not answered my supplementary questions, not even the first one. I asked him whether the Government had offered as much as \$130,000 a month to any appointee, while his or her monthly salary used to be just \$40,000 or \$50,000.*

PRESIDENT (in Cantonese): I can remember that you asked him for the justifications.

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Cantonese): The relevant agreement terms were finalized only after we had considered the remunerations associated with the positions they were holding at the time.

MR CHIM PUI-CHUNG (in Cantonese): *President, parts (b) and (c) of the Secretary's main reply both mention interpretations of the Basic Law. Basically, Article 61 and Article 101 are referred to. My supplementary question is: Is the SAR Government qualified, or does it have the authority, to interpret the Basic Law, especially in respect of residual powers?*

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Cantonese): Madam President, our duty is to run Hong Kong in accordance with the provisions of the Basic Law. Naturally, if it is deemed necessary in the course of implementing the Basic Law, we will seek legal advice from the Department of Justice. But the power of interpreting the Basic Law is vested with the Standing Committee of the National People's Congress, and the Courts of Hong Kong may, when so authorized, apply the Basic Law provisions concerned when hearing certain relevant cases. However, I must make it very clear that this time around, our employment of these Deputy Directors of Bureau and Political Assistants is in strict accordance with the Basic Law and does not involve the issue of residual powers for the SAR Government as argued by Mr CHIM Pui-chung.

MR CHIM PUI-CHUNG (in Cantonese): *President, I only asked the Secretary whether the SAR Government had any authority to interpret the Basic Law. He needs only to give us a simple "yes" or "no". If no, the SAR Government should not give any interpretation. If yes, he should reply that the SAR Government's interpretation is correct.*

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

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Cantonese): Madam President, what I have been doing is to explain to the legislature our understanding of the Basic Law and how it should be implemented.

MS EMILY LAU (in Cantonese): *President, the authorities claim that the development of the political appointment system is intended to nurture political talents for Hong Kong. The fact is that the lowest salary for a Political Assistant is at present as high as some \$130,000. And, the authorities even refuse to disclose the salaries for individual officials, so the public are already very discontented. President, the sum of \$130,000-plus can already enable a Legislative Council Member to employ 10 personal assistants a month and set up three offices. We as Legislative Council Members are likewise nurturing political talents for Hong Kong. Why is the Government so partial, according different treatment to people according to affinity? Is this practice downright shameless? Is it not of help to Hong Kong?*

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Cantonese): Madam President, Ms Emily LAU is a bit emotional. But I can tell Members that other colleagues of the Government and I also want very much to ensure that the legislature is always given appropriate remunerations and other necessary resources, so that Members can discharge their duties satisfactorily and serve the people of Hong Kong. Therefore, several months ago, we already advanced a proposal on increasing the remunerations and other resources for Members starting from the next term of the Legislative Council, and the proposal has been approved by the Finance Committee.

MS EMILY LAU (in Cantonese): *President, he has not answered my supplementary question. My point is that even the lowest salary for a Political Assistant is as high as some \$130,000. We as Legislative Council Members I am not talking about remunerations. I am talking about the employment of personal assistants. President, you and I can each receive only some \$120,000 a month for running our offices and employing personal assistants. But with this sum of money, we must employ seven or eight personal assistants and run three or four offices. How can we compare ourselves with the Government? How can we employ any graduates of Oxford and Cambridge? This is really different treatment for people according to affinity, isn't it?*

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Cantonese): Madam President, as far as my observation goes, the various political parties can all attract a large number of political talents aspiring to a

political career in Hong Kong, whether as Legislative Council Members or as personal assistants. Our present move to create the two new tiers of Deputy Directors of Bureau and Political Assistants in the political appointment system is meant precisely to widen the channels of political participation. We believe that people from different political parties and backgrounds will all have opportunities to participate in politics, discuss politics, start a political career, serve as Members or personal assistants and even join the Executive Authorities in the future. There will be many wide channels.

PRESIDENT (in Cantonese): The Council has spent more than 22 minutes on this question. Many Members are still waiting for their turns to ask supplementary questions, but I think they may follow up this issue through other channels. Last oral question.

Matching Grant Scheme for Tertiary Institutions

6. **MR LAU WONG-FAT** (in Cantonese): *President, will the Government inform this Council of the respective total amounts of private donations secured and government matching grants received by each tertiary institution since the implementation of the Matching Grant Scheme (MGS) in 2003, and when it will review the effectiveness of the Fourth MGS (that is, the latest round of MGS)?*

SECRETARY FOR EDUCATION (in Cantonese): President, the Government has launched three rounds of MGS from 2003 to 2007 and awarded grants to the eight University Grants Committee (UGC)-funded institutions to match private donations secured by them. As a result of the three MGS, the eight institutions have together secured about \$7.7 billion of additional resources, comprising about \$2.9 billion of government matching grants and close to \$4.8 billion of private donations. A breakdown of the private donations and matching grants secured by individual institution under the three MGS is set out at Annex.

The Government has allocated \$1 billion to launch the fourth MGS which started on 1 January 2008 and will operate until 28 February 2009. Originally covering the eight UGC-funded institutions, its scope was extended to also include The Open University of Hong Kong and the Hong Kong Shue Yan University. Up to the end of April 2008, the 10 institutions have together

raised more than \$1.66 billion of private donations and the UGC has allocated \$865 million of matching grants to them. It is expected that the balance of the matching funds will be fully allocated to the institutions by the end of the fourth MGS. As in the past three exercises, the UGC will release the results of the fourth MGS upon its completion.

To assess the effectiveness of the MGS, the UGC has reviewed the results of the MGS upon the completion of the third MGS. The review has found the MGS is an effective tool in promoting a philanthropic culture in the community, and has successfully broadened the funding sources of our tertiary institutions. When compared with those years with no MGS, the level of private donations in the years with MGS has been significantly higher. At the same time, the institutions have been able to put the additional resources secured under the MGS to good use in different areas, including teaching and research enhancement, academic strength and niche areas development, student-oriented activities/development programmes and capital projects. As explained above, the fourth MGS is currently in progress. We will review the effectiveness of the MGS upon the completion of the fourth MGS.

Annex

A breakdown of the private donations and matching grants secured by individual institution under the three MGS

<i>Institution</i>	<i>Private Donations (\$ million)</i>	<i>Matching Grants (\$ million)</i>	<i>Total (\$ million)</i>
City University of Hong Kong	255	172	427
Hong Kong Baptist University	348	201	549
Lingnan University	115	110	225
The Chinese University of Hong Kong	1,330	728	2,058
The Hong Kong Institute of Education	74	74	148
The Hong Kong Polytechnic University	465	363	828
The Hong Kong University of Science and Technology	783	490	1,273
University of Hong Kong	1,393	750	2,143
Total	4,763	2,888	7,651

MR LAU WONG-FAT (in Cantonese): *President, we can see that under the MGS, the higher the reputation of an institution, the more favourable it is when raising funds in the community. Therefore, with regard to institutions, the situation of the rich getting richer and the poor getting poorer has occurred. Can the Government inform this Council whether the authorities concerned will consider adopting an MGS that is skewed in favour of the less well-off institutions? For example, if an institution at a disadvantaged position receives \$1 in donation, the Government will match it with \$2 or more, so as to assist those institutions in obtaining more resources to take forward their work in various areas?*

SECRETARY FOR EDUCATION (in Cantonese): President, perhaps I will first spend some time on explaining some details of this scheme as this will help Members understand how we operate the scheme. Under the present scheme, in fact, we have set a minimum grant of \$45 million to ensure that each institution will get this minimum amount of grant and that no institution will fail to receive any grant. In addition, in order not to let some institutions get excessive resources in this way, we have also put a cap on the grant, which is \$250 million. One of the purposes of doing so is in fact to enable institutions of a smaller scale or a shorter history to benefit from this scheme fairly.

According to the results of the first three rounds of MGS, it can be seen that the percentage of matching grant secured by each institution in relation to its previous recurrent annual expenditure (Appendix 1) was more or less the same. Of course, some institutions secured a larger amount while others secured a smaller one. A large institution needs more funding, so it has to raise more money to meet its daily needs. A smaller institution requires less funding, so in proportion, it does not have to raise so much money.

If we look at some smaller institutions such as Lingnan University, the percentage of the matching grant it received in relation to its recurrent grant was the same as that of The Hong Kong University of Science and Technology and they both stood at over 30%. Of course, this percentage is higher for some universities but lower for others and there are variations. Of course, this has to depend on various factors such as the scale of an institution and its fund-raising ability. This is how the situation is like.

If Members are concerned about this area, perhaps after the completion of the fourth MGS, we will see if there is any change in the situation. If there is no change, we will probably maintain the *status quo*. If great differences in the percentages are found, we will see if any improvement in this regard can be made accordingly.

MR SIN CHUNG-KAI (in Cantonese): *President, concerning the third and the fourth rounds of the MGS, may I ask the Secretary whether the Government will consider making this matching method a long-term policy when conducting a review by specifying the funds allocated in each round, for example, that the funding for this round is \$1 billion and that for the next is \$1.5 billion, thereby turning this into a permanent policy?*

SECRETARY FOR EDUCATION (in Cantonese): We have to understand that this is in fact the established approach adopted by the UGC, that is, to enable institutions to receive recurrent funding to offer programmes that should be offered. As I said in the main reply, it is hoped that other kinds of resources can be increased, so that a philanthropic culture can be developed in the community. In particular, it is hoped that graduates can do something for their alma maters, for example, by contributing towards the purchase of more expensive equipment so that people with special talents can develop in the relevant areas. We hope that through this approach, institutions can secure additional resources.

As regards the Government, we have already implemented four rounds of the MGS and the funds secured now stands at \$4 billion. We will carry out a review upon the completion of the fourth MGS.

MR CHEUNG MAN-KWONG (in Cantonese): *President, I found from the Annex to the main reply that the Government provided \$700 million in matching grants to the University of Hong Kong and The Chinese University of Hong Kong because their fund-raising ability is very great. However, the matching grant secured by The Hong Kong Institute of Education (HKIED) in three rounds was only about \$70 million in total. That was probably attributable to its small scale or the low support of its graduates. Will the Government consider raising the minimum of the matching grant in future, which now stands at \$45 million, without changing the cap on the matching grant? In this way, even if some institutions cannot raise much money, the Government can still increase the amounts of matching grants awarded to them, so that the amounts of funds raised by them will not be so small.*

SECRETARY FOR EDUCATION (in Cantonese): As I pointed out in reply to the two supplementaries just now, the Government has still not decided whether

to continue with the MGS or not. We will consider this carefully after completing the fourth round of the MGS. If we find that the problem facing the HKIED still persists and if we decide to continue with the MGS after the fourth round, we will definitely consider this factor thoroughly and see how the HKIED can be assisted in solving the relevant problems.

MR DANIEL LAM (in Cantonese): *The Secretary said in his main reply that the UGC-funded institutions had been able to put the additional resources secured under the MGS to good use in various areas. Can the Secretary provide more information in this regard to give this Council an account of the work undertaken in various areas?*

SECRETARY FOR EDUCATION (in Cantonese): I have also mentioned the possible uses in the main reply and perhaps allow me to take this opportunity to give a more detailed account. The matching grant can be used in four major areas: first, teaching and research enhancement. Specific plans include providing support so that research centres can operate continuously and independently, as well as hiring teaching staff so that the teacher-to-student ratio can be improved, so as to raise teaching and research capabilities.

Second, supporting academic strength and niche areas development. As I said just now, this will enable these institutions to allocate additional resources to support academics in carrying out key research and development programmes in areas they have a leading edge. Apart from hiring additional staff members, as I said just now, institutions can also buy special equipment or allocate funds to establish additional chair professor positions to underline the importance they attach to certain areas.

Third, in implementing student-oriented activities and development programmes, institutions also organize exchange programmes and exchange activities for local students. This is mainly aimed at broadening the international outlook of our students and establishing Hong Kong's status in the domain of international education.

Finally, the matching grant can also provide additional resources other than government funding to institutions so that they can pay for the expenses incurred by the capital works carried out in their campuses.

The uses fall mainly into these four areas.

MR ALBERT CHAN (in Cantonese): *President, the donations to many institutions are related to the naming of certain faculties of these universities. Earlier on, after a certain Faculty of Medicine was renamed, many instances of corruption and impropriety occurred, so I wonder if this had to do with not getting the name right. President, if the MGS is related to naming, may I ask the Secretary if this will become an instance of using public funds to give a certain individual personal publicity? Will the Secretary consider banning all plans to link donations with naming under the MGS?*

SECRETARY FOR EDUCATION (in Cantonese): Concerning the case mentioned by Mr CHAN, of course, donation was involved but I do not know if that special plan involves a donation made under the MGS or if the matching grant provided by the Government was used in that plan. Please allow me to go back and look at the relevant details, then give a written reply.

MR ALBERT CHAN (in Cantonese): *President, I hope the Secretary can also provide all the information concerning donations that are related to naming under the MGS for our reference.*

SECRETARY FOR EDUCATION (in Cantonese): If there are such instances under the MGS, I will provide the relevant information. If they are not related to this scheme, there will be no information whatsoever. (Appendix I)

DR YEUNG SUM (in Cantonese): *Madam President, in fact, I greatly support the MGS because on the one hand, it can promote a philanthropic culture, on the other hand, it can encourage universities to raise funds on their own. However, it is really necessary for the Secretary to examine in earnest, in view of so many years of implementation, whether or not universities with a longer history really have an advantage, and whether or not it is a bit unfair to universities of a smaller scale. In this regard, can the Government conduct a review and take improvement measures in earnest, so that the overall standard can be raised?*

SECRETARY FOR EDUCATION (in Cantonese): Members can gather from my reply just now that we are really aware of such a problem. When we

initially designed this scheme, in fact, a skew was made to some extent. However, after implementing this scheme for several rounds, if we plan to carry on with the scheme, is it necessary to give this matter greater consideration? I also said just now that we would do so.

PRESIDENT (in Cantonese): We have spent more than 16 minutes on this question. Last supplementary.

MS EMILY LAU (in Cantonese): *President, the Secretary said just now that the additional resources would be used in teaching and research enhancement, academic strength development, organizing activities, carrying out capital projects, and so on. In fact, all these are very basic tasks. President, if insufficient money is raised, it will not be possible to perform so many tasks. Members can see from the Annex that in the case of the HKIED in particular, it could just secure some \$100 million after three rounds of the scheme. Moreover, the education system under the charge of the Secretary is now in shambles. It is said that mother-tongue teaching has to be implemented, so on, so forth. As a result, students cannot use English or Chinese properly. If we use such a system to support the HKIED, hoping that it can train good teachers to educate our students, is the Government not hoping in vain?*

SECRETARY FOR EDUCATION (in Cantonese): I also made it clear just now that each year, the Government would provide sufficient recurrent funding to each institution. Concerning the work that they should undertake in their respective areas, the Government will allocate funds to them through the UGC. They are not in want of anything in this regard. Members all know that each year, the Government allocates funds to them through the Legislative Council, so that they can meet the expenses in this regard. However, in addition to these funds, I have also said that if institutions want to excel in certain areas, for example, if they believe they can develop certain strengths to enhance their international reputation, they can do so through this scheme. Since in comparison with other universities, the scale of the HKIED is much smaller, even though the grant that it got was small, the proportion was substantial compared with its annual expenditure. I think that in this regard, of course, the amounts can be larger or smaller and there are differences, however, are they really so disparate? This may not be the case.

MS EMILY LAU (in Cantonese): *The Secretary was not given me a reply. The activities that I mentioned just now are in fact very basic and important, so they are not really dispensable, as the Secretary put it, are they?*

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

SECRETARY FOR EDUCATION (in Cantonese): I have nothing to add. I only want to say that they are not very basic. Concerning their basic scopes of work, we have already provided adequate funding to them. The things I mentioned just now are beyond the basics.

PRESIDENT (in Cantonese): Oral question time now ends.

WRITTEN ANSWERS TO QUESTIONS

Standard Working Hours

7. **MISS TAM HEUNG-MAN** (in Chinese): *President, I have conducted a survey earlier and the outcome indicates that the problem of accountants working excessively long hours is rather serious. In this connection, will the Government inform this Council whether it will consider commencing in the near future a study on stipulating standard working hours, and drawing up other measures to alleviate the problem of excessively long working hours; if it will, of the details; if not, the reasons for that?*

SECRETARY FOR LABOUR AND WELFARE (in Chinese): President, it is the Administration's established policy to progressively improve employees' rights and benefits in a way that strikes a reasonable balance between employers' and employees' interests and which is commensurate with the pace of Hong Kong's economic and social development.

Standard working hours is a complicated issue. At present, employers, employees and various sectors of the community have divergent views on whether standard working hours should be introduced into Hong Kong. As the

issue would have far-reaching implications for Hong Kong's economy, we must be cautious in dealing with it. At this stage, the Government has no plans to stipulate mandatory standard working hours.

We appreciate that consistently long working hours may affect employees' health, their families and their social life. Therefore, current labour legislation has laid down provisions on work and rest day arrangements.

As our labour market is highly flexible, we have spared no efforts in encouraging employers and employees to resolve different issues including arrangements relating to working hours through consultation, taking account of their respective needs. The Labour Department (LD) has all along encouraged employers and employees to work in close partnership, thereby enhancing the overall manpower quality and promoting the long-term development of our trades and industries.

Besides, the Occupational Safety and Health Ordinance (Cap. 509) stipulates that employers must, so far as reasonably practicable, ensure the occupational safety and health of their employees. As such, we also actively promote and publicize from the occupational safety and health angle the importance of proper rest periods. In this connection, the Committee on Occupational Safety and Health of the Labour Advisory Board published the Guide on Rest Breaks in July 2003 to encourage employers and employees to work out through consultation rest break arrangements suitable for the employees as well as meeting the operational needs of the business.

To encourage frank communication between employers and employees on their needs, including arrangements for working hours and rest periods, one of the key measures of LD in 2008-2009 is the promotion of harmonious labour relations and enlightened family-friendly employment practices. Through publicity campaigns, educational activities and outreaching network through its 18 Human Resources Management Clubs and nine industry-based tripartite committees, LD encourages sincere communication and co-operation between employers and employees to achieve their goals.

Sickness Allowance

8. **MR LEUNG KWOK-HUNG** (in Chinese): *President, under the Employment Ordinance (EO) (Cap. 57), if an employee has accumulated sufficient number of paid sickness days, the sick leave is supported by an*

appropriate medical certificate, and the sick leave taken is not less than four consecutive days, the employee shall be entitled to sickness allowance. The daily rate of sickness allowance is a sum equivalent to four fifths of the average daily wages earned by an employee in the 12-month period preceding the sickness day or the first sickness day. In this connection, will the Government inform this Council:

- (a) of the number of cases received by the Labour Department (LD) in the past three years regarding failure of employers to pay sickness allowance to their employees, the trades in which the employees concerned were engaged, as well as the number of cases in which the employers concerned were prosecuted and convicted; and*
- (b) whether the Government will amend the relevant legislation to raise the daily rate of sickness allowance to a sum equivalent to 100% of the average daily wages earned by an employee in the 12-month period preceding the sickness day or the first sickness day, and reduce the number of sickness days, which are required for an employee to qualify for sickness allowance, from not less than four consecutive days to not less than two consecutive days; if not, of the reasons for that?*

SECRETARY FOR LABOUR AND WELFARE (in Chinese): President,

- (a) The number of cases of non-payment of sickness allowance under the EO was relatively small over the years. In 2005, 2006 and 2007, the number of cases of non-payment/under-payment of sickness allowance handled by the LD was 70, 84 and 67 respectively. Similar to other labour claims, the majority of cases involving sickness allowance were amicably settled after conciliation (from past experience, around 70% of cases were successfully resolved through conciliation). An employer who without reasonable excuse fails to pay sickness allowance to an employee is liable to prosecution. In the said period, the number of cases of non-payment/under-payment of sickness allowance in which the employers concerned were convicted stood at six, three and two respectively. They were mainly involved in the transport, storage and communications sector, followed by the import/export trades sector and the community, social and personal services sector.

- (b) Under the EO, an employee is entitled to sickness allowance if he takes not less than four consecutive days of sick leave and fulfils other statutory requirements (for example, number of paid sickness days accumulated). The daily rate of sickness allowance is a sum equivalent to four fifths of the employee's average daily wages.

Unlike temporary incapacity resulting from work-related injury, an employee's absence from work because of illness may not be employment-related. Therefore, in apportioning the financial burden arising from an employee's illness, there is a need to maintain a reasonable balance between the interests of employers and employees. Furthermore, an employee's need for financial assistance during short-term sick leave is relatively small. Given that sickness allowance is payable for sick leave taken for four consecutive days or more, the present provisions have served to ensure that the livelihood of employees will not be adversely affected if they have a prolonged period of illness.

Since the introduction of sickness allowance in the EO, we have from time to time reviewed the relevant provisions and implemented a number of improvement measures. The maximum number of paid sickness days that can be accumulated was increased from 24 initially to 36, and later rose significantly to the present level of 120 days. The rate of sickness allowance was raised from one half to two thirds and then to the present level of four fifths of an employee's wages. The medical professionals recognized under the EO for certifying an employee's incapability of work in consequence of sickness or injury have also been extended from registered medical practitioners to registered dentists and then to registered Chinese medicine practitioners, thus affording employees the freedom to choose the suitable treatment in respect of their sickness or injury.

In fact, the stipulation under the EO for a period of not less than four consecutive days of sick leave is broadly comparable to that of other countries/regions (for example, four consecutive days in the United Kingdom, France, Japan and Taiwan). The current rate of sickness allowance in Hong Kong is also higher than that in some neighbouring regions and developed countries (for example, Taiwan, Japan and France at around 50% to 66% of the employee's wages).

The rights and benefits afforded by the EO to all employees are only the minimum standards to which employees are entitled and with which employers must comply. We have all along been encouraging employers to adopt employee-oriented management policies and, in consultation with their employees, offer employment conditions that are more favourable than those provided under the EO.

We are of the view that the current provisions under the EO on sickness allowance are commensurate with the socio-economic development of Hong Kong and have struck a reasonable balance between the interests of employees and employers. At present, we have no plan to make any amendments in this regard. Nevertheless, we will, as in the past, keep abreast of the times and continue to review our labour legislation from time to time in the light of the pace of our socio-economic development and consider whether there is a need to improve employees' benefits when appropriate.

Measures and Facilities Relating to Catastrophes

9. **MR ALBERT HO** (in Chinese): *President, I have learnt that audible air defence and emergency alarm facilities are provided in major cities on the Mainland and in many countries around the world. These cities will regularly sound the alarms to test such facilities, and as a means of providing public education. Government-specified air defence and emergency refuges are also provided in these cities in preparation for the occurrence of catastrophes. In this connection, will the Government inform this Council:*

- (a) *whether there are such facilities in Hong Kong; if so, of the details such as the locations of such facilities and the installations therein, and so on; if not, the reasons for that;*
- (b) *apart from the above facilities, whether currently there are any other similar emergency facilities and installations in Hong Kong; if so, of the details; and*
- (c) *whether it has implemented or has any plan to implement education policy or measures relating to catastrophes; if so, of the details; if not, the reasons for that?*

SECRETARY FOR SECURITY (in Chinese): President,

- (a) Hong Kong does not have any audible air defence and emergency alarm facilities. In the event of an emergency, the Government of the Hong Kong Special Administrative Region (SAR) will immediately issue warnings through radio or television broadcasting and government website to members of the public to help them take appropriate precautions as soon as possible. As information systems and networks are well developed in Hong Kong, the existing warning system has been widely used in emergencies such as typhoons, rainstorms, flooding and landslips. Members of the public are very familiar with this warning system, which has been proved effective for years. Moreover, in the event of an emergency, the Home Affairs Department (HAD) and the Social Welfare Department (SWD) will activate the contingency plans in place by setting up temporary shelters and help desks, registering victims, and providing them with the necessary emergency supplies accordingly.
- (b) Apart from the above warning system and temporary shelter facilities, the emergency service departments of the SAR Government, which are experienced and adequately equipped teams for rescue operations, are well prepared to handle various emergency situations. Each of them has drawn up its contingency plans, and will conduct exercises regularly, including inter-departmental exercises, to test and enhance inter-departmental co-ordination and co-operation, as well as to ensure swift and effective response from government departments during emergencies.
- (c) Government departments have also issued advice as appropriate to draw public attention to matters of concern in different emergency situations. For example, the Security Bureau has published a booklet entitled *Simple Guidelines in the Event of Major Mishaps* to provide the public with some simple and effective precautions against natural disasters and serious accidents, as well as some guidelines on how to reduce risks, and protect their lives and properties from mishaps. Copies of the booklet have been distributed to the district offices of the HAD, SWD and schools for reference of the public and the students. The contents of the booklet are also available on the homepage of the Security Bureau.

In addition, the Hong Kong Observatory (HKO) has organized, from time to time, major seminars to enhance public awareness of natural hazards, such as the "Earthquakes and Tsunamis" in 2005 and "Earthquakes" in November 2007. Between mid-2005 to mid-2006, a large-scale inter-departmental public education campaign, "Safer Living", was jointly organized by a number of government departments, including the Security Bureau, Civil Engineering and Development Department, Drainage Services Department and HKO. Key activities of the campaign included a workshop for teachers, popular science lectures, television documentaries, rescue drill demonstrations and a major exhibition. It aimed to enhance public understanding of natural disasters, to increase public preparedness and to reduce risk. The Security Bureau will continue to organize similar activities with other bureaux and departments, including the Education Bureau and HKO, whenever necessary.

Abuse of Drugs by Youngsters

10. **MR CHEUNG HOK-MING** (in Chinese): *President, recently, a survey report has pointed out that there is a trend of the youngsters in Tuen Mun abusing drugs at a younger age. The average age at which they first abused drugs had dropped from 16 in 2004 to 15 in 2007, and the youngest first-time drug abuser was as young as 12 years old. In this connection, will the Government inform this Council of:*

- (a) *the details of the strategies to combat juvenile drug abuse from a holistic perspective, which were consolidated by the Task Force on Youth Drug Abuse (Task Force) led by the Secretary for Justice; and*
- (b) *the details of the existing co-operation initiatives with the mainland authorities to combat cross-boundary drug abuse, and whether it will consider strengthening co-operation and communication with the mainland authorities (including raising the penalties concerned, establishing a notification mechanism under which the mainland authorities will notify the Hong Kong police of cases of drug abuse by Hong Kong youngsters on the Mainland) for combating cross-boundary drug abuse more effectively and grasping more comprehensive information to facilitate the provision of drug treatment and related support to drug abusers?*

SECRETARY FOR SECURITY (in Chinese): President,

- (a) The Task Force led by the Secretary for Justice is spearheading cross bureaux and inter-departmental collaboration against drug abuse, and drawing up strategies covering preventive education and publicity, treatment and rehabilitation, law enforcement, research, and external co-operation. The Task Force has devised a series of initial measures that can be implemented in the short to medium term, including:

Preventive Education and Publicity

- launching a territory-wide campaign in June to mobilize the whole community to fight against youth drug abuse;
- equipping principals, teachers, guidance teachers, school social workers and parents with knowledge and skills on anti-drug education, identification of high-risk youth and handling of drug abuse cases;
- strengthening anti-drug preventive education for students;

Treatment and Rehabilitation

- enhancing the district youth outreaching social work teams and overnight outreaching services;
- setting up two additional Counselling Centres for Psychotropic Substance Abusers;
- strengthening the Police Superintendent's Discretion Scheme by enhancing services of the Juvenile Protection Section of the police and Community Support Service Scheme of the Social Welfare Department;
- providing more subvented places in drug treatment and rehabilitation centres;
- opening two Substance Abuse Clinics under the Hospital Authority and enhancing the provision of psychiatric medical social services;

- providing training to private medical practitioners, so that they can provide early medical advice, treatment and referral services for patients who have drug abuse problems;

Law Enforcement

- strengthening the Police School Liaison Programme;
- enhancing intelligence-gathering capabilities of the police;
- enhancing the detector dog services at the boundary control points; and

Research

- extending the coverage of the next round of the survey of drug use among students (which will be conducted in the second half of this year) to include students from Primary Four to post secondary, and conducting future rounds more frequently, at three-year intervals.

The Task Force will also look into measures to enhance external co-operation in tackling the drug problem, including examining the latest international drug situation, promoting closer linkages and exchanges with our mainland and overseas counterparts, enhancing co-operation between law-enforcement agencies, and sharing experience and ideas on preventive education and treatment and rehabilitation initiatives.

The ultimate goal of the Task Force is to draw up long-term, sustainable and comprehensive strategies in a holistic manner. It would continue its deliberations on other and long-term recommendations with a view to summing up its work in a report by October.

- (b) The Administration has maintained close liaison with the mainland authorities on formulating and strengthening strategies and co-operation arrangements to tackle the problems of cross-boundary drug trafficking and drug abuse.

Hong Kong and mainland law-enforcement agencies exchange information and intelligence on cross-boundary crimes, draw up operational directions and take joint actions on drug related offences. Law-enforcement officers also visit and hold regular meetings with their counterparts to update each other on the latest drug abuse and drug trafficking situation.

We have agreed with the Shenzhen authorities on a mechanism for handling the return of Hong Kong residents arrested in the Mainland for abusing drugs. When notified by the Shenzhen authorities, the police will, where necessary and practicable, assist those Hong Kong residents to return to Hong Kong. We will liaise with social workers to provide counselling and follow-up services to those who are willing to receive them.

We have also developed a tripartite co-operation framework with our Guangdong and Macao counterparts to promote exchanges and co-operation in anti-drug efforts among the three places. Starting from 2001, tripartite conferences or functions to tackle drug abuse and trafficking have been held regularly. Information is exchanged and experience shared on various fronts covering law enforcement, research, treatment and rehabilitation as well as preventive education.

Among the initial measures of the Task Force, the detector dog services at the boundary control points will be enhanced, with the aim to strengthen enforcement actions and the deterrent effect on cross-boundary drug abuse, possession and trafficking cases. Combating cross-boundary drug abuse is also a major publicity initiative in our territory-wide campaign against youth drug abuse to be launched in June. In the next few months, the Task Force will continue to look into the problem to further combat the menace of drugs, including enhancing liaison with the mainland authorities and discussing with them further collaborative measures on the basis of the existing co-operative efforts in joint operations, information and intelligence exchanges, and experience sharing.

Cycle Tracks

11. **MR JAMES TO** (in Chinese): *President, the Cycling Study Final Report which was published by the Transport Department in 2004 recommended that the*

expansion of the role of cycling was not advisable at that point in time due to poor underlying safety conditions (including the physical constraints in Hong Kong and cyclists' riding habits) then. However, according to the information on the website of the Civil Engineering and Development Department (CEDD), the Government will connect various scattered cycle tracks in the New Territories to form New Territories Cycle Track Network. CEDD has earlier also recommended that a waterfront cycle track be constructed in Tseung Kwan O along the Cross Bay Link which is under planning. In this connection, will the Government inform this Council:

- (a) whether it will make reference to the above recommendation of CEDD and consider constructing more cycle tracks in new development areas, such as the West Kowloon Reclamation, when planning for such areas, so as to enhance the role of bicycle as a supplementary mode of transport;*
- (b) whether it plans to construct cycle tracks along the Hung Hom waterfront and various waterfront promenades under planning;*
- (c) given that Beijing municipal authority has recently subsidized private organizations to provide cycle rental service outside many underground railway stations in the municipality, in order to alleviate traffic congestion and air pollution problems in the central business district, whether the Government will make reference to such arrangement and similar policy directions adopted overseas, and explore making similar arrangements in Hong Kong; and*
- (d) in view of the above plan for improving the cycle track network in the New Territories, whether the Government has conducted any study on developing cycling tourism?*

SECRETARY FOR TRANSPORT AND HOUSING (in Chinese): President,

- (a) As the road network and public transport system in Hong Kong are well developed, the general road traffic is heavy and road space is limited, based on road safety considerations, we do not encourage the use of bicycles as a transport mode in the urban areas. Nevertheless, in planning new towns and new development areas, the Government will consider the feasibility of providing cycle tracks and related ancillary facilities for leisure, recreational and tourism purposes as appropriate.

At present, the Kai Tak Planning Review proposes that a cycle track of some 6 600 m in length be constructed to link up a multi-purpose stadium complex and various tourist attractions for leisure and recreational purposes.

As regards the West Kowloon Reclamation, most of the planning and construction projects for the major sites (including roads and pedestrian linkages) in the district are near completion and currently there is no plan to build cycle tracks. However, the detailed planning for the West Kowloon Cultural District has not yet been finalized. After the establishment of the West Kowloon Cultural District Authority, the Authority will take up this task and prepare a development plan for the district in accordance with the development parameters set out in the Outline Zoning Plan. In preparing the development plan and conducting related public consultation, the Authority will consider the land use and the associated facilities in the district.

The Government will also consider the provision of a comprehensive network of walkways, cycle tracks and associated facilities during the planning and the related engineering studies for the new development areas of the New Territories North.

- (b) There is no plan to construct cycle tracks at the planned Hung Hom Waterfront and other waterfront promenades along the Victoria Harbour. However, in the Hong Kong Island East Harbour-front Study anticipated to be launched in end 2008, the Government will examine the feasibility of providing cycling facilities along the waterfront for leisure and recreational purposes.
- (c) Hong Kong is densely populated. To strike a balance between the need to alleviate traffic congestion and air pollution, we have all along been actively pursuing the policy of having the public transport system as the main transport mode and encourage the public to make use of the mass public transport system and other public transport services. Railway is the backbone of our transport system, with franchised buses and public light buses providing feeder services to the railway network. Besides, we have also implemented the "park-and-ride" scheme to encourage motorists to park their vehicles and take the railways to their destinations through the provision of concessions on parking facilities at railways

stations or public transport interchanges at the fringe of busy business districts areas. As set out in part (a) of our reply, based on road safety considerations, we do not encourage the use of bicycles as a transport mode in the urban areas. At this stage, we do not plan to study bicycles as a transport mode for feeder mode to railway stations. However, in planning new towns and new development areas, the Government will consider the feasibility of providing cycle tracks and related ancillary facilities for leisure, recreational and tourism purposes as appropriate.

- (d) The Government has been in close communication with the tourism industry and the Hong Kong Tourism Board on this subject. Visitors on cycling trips generally require well-planned cycling routes linking various attractions, or integrating with nearby attractions to form a cluster of attractions. Safety is fundamental to a well-developed cycling route, along which complementary facilities and services, such as safety and sanitary facilities, signage and convenient cycle rental services, and so on. In the light of the progress of the plan for improving the cycle track network in the New Territories and the development of local complementary facilities, the Government will, in collaboration with the tourism industry and the Hong Kong Tourism Board, study the demand for cycling tourism in Hong Kong's major source markets and the feasibility of developing cycling tourism.

Handling of Media by Police Officers

12. **MISS CHOY SO-YUK** (in Chinese): *President, in reply to a question raised by a Member at this Council's meeting on 21 November 2007 regarding the police sending their officers to conduct an investigation at the offices of the Oriental Press Group, the Secretary for Security said that there was absolutely no intention on the part of the police to infringe the freedom of the press. However, I have recently received two more complaints alleging that the police had hindered news reporting by reporters of the Group. The first complaint alleged that when a reporter of the Group was reporting on a taxi robbery at Pat Heung in Yuen Long on 16 April this year, a plain-clothed police officer provided news information only to the reporter of another newspaper organization at the scene. The reporter of the Group subsequently lodged a complaint with the Complaint Against Police Office about the unfair treatment. The second complaint alleged that when a reporter of the Group was reporting on a criminal*

damage case in Ma On Shan on 18 April this year, police officers at the scene scolded him using foul language and restrained him from taking photographs. After the reporter had called the police, a police officer said that follow-up action would be taken. However, the reporter has not received any further information so far. In this connection, will the Government inform this Council:

- (a) whether the police have conducted any investigation on the above two complaints; if so, of the outcome, including whether it has indicated any dereliction of duty on the part of police officers; if there is such dereliction of duty on the part of police officers, of the penalties imposed on them; if no investigation has been conducted, the reasons for that;*
- (b) besides the Force Procedures Manual, whether the police have issued any other guidelines to front-line police officers to guide them on how to strike a balance between conducting investigations and facilitating news reporting by the media, in order to avoid hindering the progress of investigations while ensuring that freedom of the press is protected;*
- (c) given that Chapter 39 of the Force Procedures Manual stipulates that "photographers and TV cameramen in particular should be given an opportunity to have vantage points; they have the right to take photographs or TV footage in a public place", how the police ensure that front-line police officers discharge their duties in accordance with the guideline; and*
- (d) whether the police have issued any guidelines requiring police officers to treat different media organizations fairly; if they have, of the details; if not, the reasons for that?*

SECRETARY FOR SECURITY (in Chinese): President,

- (a) The police are investigating the two incidents mentioned in the question. Upon completion of the investigation, the police will take follow-up action in accordance with the established procedures. If any police officer is found to have breached any regulations, the police will follow up as appropriate (including taking disciplinary action), and will inform the complainant of the investigation results.

(b) and (c)

The Force Procedures Manual contains detailed guidelines on how the police are to deal with matters concerning news reporting by the media. The Manual provides clearly that the police should maintain cordial relations with the news media based on mutual respect and understanding, and provide timely and accurate information to journalists within the bounds of the law. The Manual also provides guidelines on how to facilitate the media in filming, photo-taking and reporting. The guidelines in the Force Procedures Manual seek to assist front-line police officers in striking an appropriate balance between conducting investigations and facilitating news reporting by the media.

The Force Procedures Manual further provides that Force Commanders should communicate and liaise closely with the Police Public Relations Branch, so that the latter may provide assistance as appropriate, for example, in co-ordinating the arrangements for news reporting by journalists during police operations, or disseminating information to the media where police operations will not be prejudiced. Police Commanders may also consult the Police Public Relations Branch on press area arrangements, with a view to facilitating the media in filming and news reporting.

Through training courses, the police have specifically reminded police officers of the guidelines on equal treatment to all news media and journalists. The police also regularly remind all Police Formations of the need for strict compliance with the relevant guidelines.

(d) The Force Procedures Manual stipulates that all news media and journalists should be given equal treatment when the police disseminate information and arrange media coverage.

Studies on Tourism

13. **DR DAVID LI:** *President, the Tourism Commission's website shows that a number of studies on new tourism infrastructure were completed between 2003 and April 2006. No new study or public consultation exercise has been reported*

on the Commission's website since then. In this connection, will the Government inform this Council whether, in the past three years, it had conducted:

- (a) any survey to find out the percentage of visitors who considered visiting tourism infrastructures which were built or inspired by the Government as the primary reason for coming to Hong Kong; if so, of the frequency, sample size, reliability and outcome of such surveys;*
- (b) any value for money audit on the four tourism infrastructure projects (that is, the Hong Kong Wetland Park, Ngong Ping 360, Hong Kong Disneyland and Phase II of A Symphony of Lights) which, according to the Tourism Commission's website, were drivers of tourism growth; if so, of the outcome; and*
- (c) any study to review the strategic positioning of Hong Kong as a popular tourist destination for mainland visitors; if so, of the primary attraction of Hong Kong to such visitors as indicated by the outcome of such studies?*

SECRETARY FOR DEVELOPMENT (in the absence of Secretary for Commerce and Economic Development): President, the Government attaches importance to engaging the tourism industry and the community in developing tourism projects. Consultants are engaged as and when necessary for professional and independent advice at different stages of project conception and implementation. Apart from developing tourism infrastructure, the Government embarks on a variety of experience enrichment initiatives like promotion of cultural tourism and hospitality programmes. We make use of different engagement platforms, for example, the Tourism Strategy Group, the Hong Kong Tourism Board (HKTB), the Travel Industry Council, theme-based workshops, public consultations, and so on, to interact with stakeholders. Since April 2006, we have commissioned studies on Lei Yu Mun waterfront enhancement project, Aberdeen tourism project, as well as workshops on developing a piazza in Tsim Sha Tsui, the manpower requirement of MICE (meetings, incentive travels, conventions and exhibitions) sector, and various engagement and studies relating to the development of a new cruise terminal at Kai Tak. The outcomes of such consultancy studies and

community/stakeholder engagement work are uploaded, from time to time, to the website of the Tourism Commission for public information. My reply to the three-part question is as follows:

- (a) The Government has not conducted any survey to ascertain the percentage of visitors who visit Hong Kong because of specific tourist attractions, as tourists normally visit a place for a wide range of interests. That said, attractions or events can help build up a desire to visit a place. The HKTB's surveys show that visitors to Hong Kong are impressed by our advanced and modern infrastructure, cosmopolitan setting, exciting shopping and dining experience, hospitable ambience, a diversified portfolio of tourist attractions and, above all, our unique East-meets-West culture and lifestyle. With the completion of major tourism infrastructures like the Hong Kong Disneyland, the Hong Kong Wetland Park and Ngong Ping 360 in recent years, the HKTB's surveys show that the overall satisfaction rate of our visitors increased from 8.0 in 2005 to 8.2 in 2007, and the percentage of visitors who wish to revisit Hong Kong also increased from 85% in 2005 to 90% in 2007.
- (b) The Government has not conducted value-for-money audits for the four major tourist attractions in question, but the HKTB from time to time conducts market surveys on the popularity of these tourist attractions. According to such surveys conducted in 2007, the Ocean Park, the Hong Kong Disneyland and "A Symphony of Lights" are all popular attractions for visitors. As for Ngong Ping 360, its patronage exceeded 600 000 in the first four months since its reopening to the public on 31 December 2007. The Wetland Park caters for a niche market comprising nature and wetland conservation lovers. Over 500 000 people visited the Park in the past 12 months.
- (c) The Government and the HKTB have been closely monitoring the latest trend of the major tourism markets, including the Mainland. We have been adopting different measures to obtain information for developing strategies, especially for tapping the tremendous growth of the mainland market. These measures include engagement of consultants, use of established consultative platforms, and regular liaison with the travel trade and other stakeholders. Furthermore,

the Government maintains close and regular dialogue with relevant mainland authorities on matters of mutual concern. Taking into account mainland visitors' interests, market research on the travel pattern and relevant national policies, the HKTB has been making efforts to boost family and consumption visits, which are proved to be a success as reflected by the 13% growth in mainland family visitors from 2005 to 2007.

Looking ahead, apart from developing tourism infrastructures and launching marketing campaigns, the Government, the HKTB and the travel trade will strive to promote honest and quality tourism, enrich our destination offerings, and improve the quality and variety of shopping and entertainment activities in Hong Kong, so as to make Hong Kong a preferred destination for mainland visitors. Also, riding on the popularity of cruise tourism, we are now developing a world-class cruise terminal and are working with coastal mainland cities in promoting cruise tourism.

Requirements for Tenants of Public Rental Housing to Declare Household Income and Assets

14. **MR LAU KONG-WAH** (in Chinese): *President, under the Housing Subsidy Policy (HSP), households who have been living in public rental housing (PRH) or interim housing for 10 years or more are required to declare household income biennially. Households with a household income exceeding the relevant subsidy income limits are required to pay the net rent or licence fee (multiplied by 1.5 or two) plus rates, while those households who choose not to declare their household income have to pay the net rent or licence fee (multiplied by two) plus rates. In addition, according to the Policy on Safeguarding Rational Allocation of Public Housing Resources (SRA), households required to pay double net rent plus rates must also declare assets in the next cycle of declaration. If they have net assets which exceed the relevant net asset limits, or choose not to declare assets, they will be required to vacate their public housing flats. In this connection, will the Government inform this Council:*

- (a) *whether it had reviewed the aforesaid two policies in the past five years, including reviewing if the requirement of making declarations biennially could be relaxed, in order to save administration costs;*

- (b) *of the respective numbers of tenants who paid 1.5 times or double net rent plus rates in each of the past three years; and*
- (c) *of the number of households which, upon their declaration of assets, were transferred to smaller public housing flats due to a reduction in their household size in each of the past three years?*

SECRETARY FOR TRANSPORT AND HOUSING (in Chinese): President, the Government's housing policy is to provide PRH to those who cannot afford private rental accommodation. Such provision is heavily subsidized by public resources. It is necessary for the Hong Kong Housing Authority (HA) to ensure that the limited housing resources are allocated to needy families. The HA hence implemented the HSP and the SRA in 1987 and 1996 respectively to reduce the housing subsidy to households which no longer require assistance. These policies are applicable to households that have been living in PRH for 10 years or more, but not to households that consist of members all having attained the age of 60 or all receiving Comprehensive Social Security Assistance. Under the HSP, the PRH tenants concerned are required to declare their household income every two years. Tenants with a household income exceeding two times the Waiting List Income Limits (WLIL) or those who choose not to declare their household income are required to pay 1.5 or two times net rent plus rates. For tenants with a household income exceeding three times the WLIL or those who choose not to declare, in addition to paying two times net rent plus rates, they are also required to declare assets at the next round of declaration under the SRA. Those tenants with net assets value exceeding 84 times of the WLIL or those who choose not to declare assets are required to vacate their flats. In fact, the HA has recovered more than 36 000 PRH flats from tenants paying additional rent since the implementation of the HSP and the SRA.

My reply to the three-part question is as follows:

- (a) It is necessary for the HA to implement appropriate measures to ensure the rational allocation of limited public resources. The collection on a regular basis of information about the household income of tenants is very important for such purpose. Therefore, the HA has no intention at the moment to change the two policies mentioned above, including the arrangement requiring tenants concerned to declare their household income every two years.

- (b) In each of the past three years, there are about 20 000 households paying 1.5 or two times net rent plus rates.
- (c) To ensure the proper use of housing resources and avoid frequent transfers of tenants due to minor changes in family size, the HA has a set of established standards for arranging tenants to transfer to smaller flats upon a decrease in their household size. Elderly households and families with disabled members are exempted from such arrangement.

In the past three years, among tenants who have declared assets under SRA, the number of tenants transferred to smaller PRH flats each year due to a decrease in their household size is as follows:

<i>Year</i>	<i>Number of tenants</i>
2007-2008	1
2006-2007	8
2005-2006	12
Total	21

Requirement for Cyclists to Wear Protective Helmets

15. **MR FREDERICK FUNG** (in Chinese): *President, it is learnt that wearing protective helmets can effectively lessen the degree of head injury sustained by cyclists in the event of accidents, but there is no such requirement under existing legislation. In this connection, will the Government inform this Council:*

- (a) *of the details of its work in the past five years to promote the use of safety equipment (for example, protective helmets, elbow pads and knee pads) among cyclists;*
- (b) *whether it had conducted studies in the past five years on whether cyclists should be required to wear protective helmets, including the effectiveness of imposing such a requirement, as well as overseas experience and practice in this respect; if it had, of the results of the studies; if it had not, the reasons for that; and*
- (c) *whether it will consider requiring cyclists, especially children, to wear protective helmets, in order to lessen their degree of head injury in the event of accidents?*

SECRETARY FOR TRANSPORT AND HOUSING (in Chinese): President,

- (a) We attach great importance to cycling safety. In the past five years, the Road Safety Council, the police and the Transport Department (TD) have been promoting cycling safety, including the use of safety equipment, through different forms of publicity and educational activities. We have further strengthened our efforts in this area since the latter half of 2007. Details of the major work are as follows:
- (i) publishing and distributing "Cycling Safety" pamphlets, leaflets on "Safety Tips for Cyclists" and "Smart Cycling" cards;
 - (ii) launching territory-wide "Safe Cycling Week" during summer holidays and some long school holidays; and holding safety roadshows at cycling hotspots and promoting the use of safety equipment (including protective helmets, elbow pads and knee pads) among cyclists, as well as handing out "Smart Cycling" cards;
 - (iii) delivering talks in schools and communities on a regular basis to promote the use of safety equipment;
 - (iv) arranging the Road Safety Bus to visit kindergartens and primary, secondary, and special schools to promote knowledge on safety equipment to students;
 - (v) giving talks on cycling safety to students and organizations visiting the four Road Safety Towns and providing practice sessions;
 - (vi) two large-scale publicity campaigns and the "Safe Cycling Week" were organized in Sha Tin and Tai Po respectively in July 2007. A professional cyclist was invited as guest speaker to introduce and promote the use of safety equipment to participating teenagers;
 - (vii) the legislative requirements and safety advice on cycling safety were published in the 17th issue of the *Road Safety*

Bulletin issued in July 2007. The public was encouraged to use appropriate safety equipment for cycling;

- (viii) a special programme under the theme of "Cycling Safety Gear" was produced in December 2007 and was broadcast on the television programme "Police Magazine". In the television programme, a professional cyclist was invited to introduce the proper use of safety equipment, and a doctor from the Hospital Authority to explain the protection provided by protective helmets; and
 - (ix) producing television and radio Announcements for the Public Interest (APIs) under the theme of "Cycling Safety Gear". The latest APIs are expected to be broadcast on television and radio in June 2008.
- (b) TD has made reference to overseas experiences and practices in examining the proposal to make it a mandatory requirement for cyclists to wear protective helmets. The research reveals that such a measure is not commonly adopted internationally. Practices and considerations vary among different countries.

France, Switzerland, Germany, the United Kingdom and Singapore do not impose any legislative requirements to mandate cyclists to wear protective helmets. Authorities in these countries generally consider that enhancing education and publicity to encourage voluntary wearing of protective helmets by cyclists is a more appropriate approach. In the United Kingdom, there are views that a mandatory requirement may lead to a reduction in cycling activities. Such a measure may also not be generally accepted by the public, and there are practical difficulties in enforcement.

In Australia, New Zealand and some provinces in Canada, there are legislative requirements to mandate cyclists to wear protective helmets. Experiences in New Zealand and Canada also indicated that there was reduction in the number of cases of head injuries sustained by cyclists in accidents. However, some of these countries have also seen a reduction in cycling activities.

- (c) On whether to make it a mandatory requirement for cyclists to wear protective helmets, we have to consider the actual situation in Hong

Kong, including the fact that cycling is mainly a recreational and leisure activity and quite a number of people rent a bicycle to engage in one-off outdoor activities. Also, many cyclists are children and they mostly cycle within housing developments or recreational grounds (such as parks, playgrounds and waterfront promenades), issues concerning enforcement and prosecution will need to be carefully examined. The impact of such legislative control on the public and public acceptance are also important factors for consideration. In fact, the above considerations are some of the main reasons for a number of countries deciding not to implement such a mandatory measure. As such, we do not have any plan at this stage to implement this mandatory measure. Nevertheless, we will continue to listen to the views of the community. We will also closely monitor the cycling activities by the public and the related accident statistics.

In parallel, we will continue with our publicity and educational efforts to further enhance the awareness of cycling safety among the general public, including the use of safety equipment such as wearing of protective helmet.

Consumption of Paper by Government

16. **MR LAU KONG-WAH** (in Chinese): *President, regarding the consumption of paper by various government departments, will the Government inform this Council of:*

- (a) *the respective quantities of paper procured by various government departments in the past three years, and the expenditure involved;*
- (b) *the quantities of paper used (including those for printing annual reports) by various government departments in each of the past three years, as well as the trend in their paper consumption; and*
- (c) *the measures currently taken by various government departments to reduce the consumption of paper, and whether such measures include the replacement of printed copies with soft copies in the publication of annual reports?*

SECRETARY FOR THE ENVIRONMENT (in the absence of Secretary for Financial Services and the Treasury) (in Chinese): President,

- (a) Apart from the printing paper procured by the Government Logistics Department (GLD) and the photocopying paper procured for bureaux/departments through term contracts, the Government has not kept any statistics on the quantities of paper procured by individual bureaux/departments in each of the past three years. The quantities and related expenditure of paper procured by the GLD in the past three years are as follows:

<i>Year</i>	<i>Printing Paper</i>		<i>Photocopying Paper</i>	
	<i>Quantity (Metric tonnes)</i>	<i>Expenditure (\$M)</i>	<i>Quantity (Metric tonnes)</i>	<i>Expenditure (\$M)</i>
2005	7 825	52.6	4 244	33.1
2006	6 244	45.7	4 177	32.7
2007	5 789	46.5	4 320	34.1

- (b) The Government has not kept any statistics on the annual paper consumption of individual bureaux/departments in the past three years. Nevertheless, the amount of printing paper consumed by GLD for printing publications for bureaux/departments is provided below:

<i>Year</i>	<i>Printing Paper (Metric tonnes)*</i>
2005	6 801
2006	5 987
2007	6 224

* Printing requirements for publications vary from year to year according to demand. For example, there were more printing requirements in 2007 than in 2006 due to the 10th anniversary of the establishment of Hong Kong Special Administrative Region, the District Council Election and the Legislative Council By-election (Hong Kong Island Constituency).

- (c) The Director of Administration issued a circular at the end of 2003 to all government bureaux/departments advising them to maximize the use of Internet or CD-ROMs for the issue of annual reports and departmental newsletters and minimize the use of paper for printing such documents as far as possible in order to reduce paper consumption.

In addition, according to the Environmental Protection Department, under the Government's green management policy, the focus is to encourage the reduction of the use of paper and the promotion of the use of environmentally-friendly paper. The Environmental Protection Department has also provided detailed guidelines to bureaux and departments on the reduction of paper consumption such as through the use of electronic means instead of paper, reducing the size of documents, double-sided printing, and so on. The Government will continue to enhance its efforts on green management and paper reduction for the protection of our environment.

Village Sewerage Projects

17. **MR LAU WONG-FAT** (in Chinese): *President, regarding the provision of public sewerage systems in villages, will the Government inform this Council:*

- (a) *of the following, broken down by District Council (DC) districts and Rural Committees (RCs) concerned:*
 - (i) *the names of villages covered by public sewerage systems at present;*
 - (ii) *the names of villages where sewerage projects are being implemented; and*
 - (iii) *the names of villages for which the design work of sewerage projects is underway, and the expected completion dates of such projects for each of these villages;*
- (b) *whether it will consider expediting the implementation of such projects by outsourcing the relevant work; if so, of the details; if not, the reasons for that; and*
- (c) *whether it will consider strengthening communication with the villagers concerned through DCs and RCs, so as to enable villagers to know as early as possible about the implementation details of such projects, and more efficiently obtain their consent to the implementation of the projects?*

SECRETARY FOR THE ENVIRONMENT (in Chinese): President,

- (a)
 - (i) Up to present, about 80 villages have been provided with sewerage connection systems. The names of these villages and the associated DCs/RCs and other relevant information are tabulated in Annex (A);
 - (ii) At present, sewerage connection systems to about 40 villages are being implemented. The names of these villages and the associated DCs/RCs, and other relevant information are tabulated in Annex (B); and
 - (iii) At present, sewerage connection systems for about 300 villages are at the planning and design stage. The names of these villages and the associated DCs/RCs and other relevant information are tabulated in Annex (C).
- (b) It has been a normal practice for the Government to outsource the construction of various public works projects through tendering to qualified contractors. Also, to reduce the workload in view of limited internal resources, the Government regularly commissions consulting firms through tendering/selection process to provide services on technical feasibility study, planning, design and works supervision for public works. This includes over 90% of the village sewerage projects being implemented.
- (c) The relevant departments, including the Environmental Protection Department, the Home Affairs Department, Drainage Services Department; and their consultants, via the DCs, RCs, and village representatives, would arrange a series of consultation meetings and briefing sessions at the early project planning stage to strengthen communication with the villagers. This includes explaining to the villagers the usual problems encountered during the construction of village sewerage systems, general information on sewerage projects, and works programme so as to allow the villagers a better understanding of the project details, to reach common consensus, to minimize nuisance to the villagers during works implementation, and to avoid impacts to traditional culture, Feng Shui matters, and so on. Based on past experience, the village sewerage projects are generally supported by the relevant DCs, RCs and villagers such that the projects could proceed smoothly.

Annex (A)

Table (1): The names of villages covered by public sewerage systems at present

<i>Village Name</i>	<i>DC</i>	<i>RC</i>
Tong Tan San Tsuen	Yuen Long	Ping Shan
Po Lo Che	Sai Kung	Sai Kung
Tui Min Hoi	Sai Kung	Sai Kung
Tan Cheung	Sai Kung	Sai Kung
Fui Yiu Ha	Sai Kung	Sai Kung
Tai Wan	Sai Kung	Sai Kung
Sha Ha	Sai Kung	Sai Kung
Sha Kok Mei	Sai Kung	Sai Kung
Kai Leng	North	Sheung Shui
Ng Uk Tsuen	North	Sheung Shui
Tai Tau Leng	North	Sheung Shui
Tsung Pak Long	North	Sheung Shui
Yin Kong	North	Sheung Shui
Fan Leng Lau	North	Fan Ling
On Lok Tsuen (East)	North	Fan Ling
On Lok Tsuen (West)	North	Fan Ling
Sha Tau Kok Market (East)	North	Sha Tau Kok
Sha Tau Kok Market (West Lower)	North	Sha Tau Kok
Sha Tau Kok Market (West Upper)	North	Sha Tau Kok
Yue Kok	Tai Po	Tai Po
Nam Hang	Tai Po	Tai Po
Ying Pun Ha	Tai Po	Tai Po
Tai Po Tau Shui Wai	Tai Po	Tai Po
Kam Shan Village	Tai Po	Tai Po
Pan Chung San Tsuen	Tai Po	Tai Po
Sheung Wun Yiu	Tai Po	Tai Po
San Uk Ka	Tai Po	Tai Po
Tin Sam	Tai Po	Tai Po
Ha Hang	Tai Po	Tai Po
Cheung Uk Tei	Tai Po	Tai Po
Ying Pun Ha Chuk Hang	Tai Po	Tai Po
San Wai Tsai	Tai Po	Tai Po
Fung Yuen Lo Tsuen	Tai Po	Tai Po

<i>Village Name</i>	<i>DC</i>	<i>RC</i>
Mak Uk	Tai Po	Tai Po
Kau Shi Wai	Tai Po	Tai Po
Lai Chi Shan	Tai Po	Tai Po
To Yuen Tung	Tai Po	Tai Po
Sam Mun Tsai New Village	Tai Po	Tai Po
Tung Tsz	Tai Po	Tai Po
Shuen Wan Sha Lan	Tai Po	Tai Po
Tai Mei Tuk	Tai Po	Tai Po
Shuen Wan Wai Ha (Part)	Tai Po	Tai Po
Shuen Wan Chim Uk	Tai Po	Tai Po
Shuen Wan Lei Uk	Tai Po	Tai Po
A Shan Tseng Tau	Tai Po	Footnote (1)
Yim Tin Tsai (Luen Yick)	Tai Po	Tai Po
Yung Shue O	Tai Po	Sai Kung North
Heung Fan Liu	Sha Tin	Footnote (1)
Kak Tin	Sha Tin	Sha Tin
Ha Keng Hau	Sha Tin	Sha Tin
Sheung Keng Hau	Sha Tin	Sha Tin
Hin Tin	Sha Tin	Sha Tin
Tai Wai	Sha Tin	Sha Tin
Sha Tin Wai	Sha Tin	Sha Tin
Sha Tin Tau	Sha Tin	Sha Tin
To Shek	Sha Tin	Sha Tin
Chap Wai Kon	Sha Tin	Sha Tin
Ngau Pei Sha	Sha Tin	Sha Tin
Pak Tin	Sha Tin	Sha Tin
Tin Sam	Sha Tin	Sha Tin
Tsamg Tai Uk	Sha Tin	Sha Tin
Chap Wai Kon New Village	Sha Tin	Sha Tin
Hung Mui Kuk	Sha Tin	Footnote (1)
Tai Lam Liu	Sha Tin	Sha Tin
Wu Kai Sha Village	Sha Tin	Sha Tin
Tai Shui Hang	Sha Tin	Sha Tin
Fo Tan Cottage Area	Sha Tin	Footnote (1)
Wo Liu Hang	Sha Tin	Sha Tin
Fo Tan	Sha Tin	Sha Tin
Pai Tau	Sha Tin	Sha Tin

<i>Village Name</i>	<i>DC</i>	<i>RC</i>
Tung Lo Wan	Sha Tin	Sha Tin
Pat Tsz Wo	Sha Tin	Sha Tin
Shek Kwu Lung	Sha Tin	Sha Tin
Wong Nai Tau	Sha Tin	Sha Tin
To Fung Shan	Sha Tin	Footnote (1)
Lok Lo Ha (Part)	Sha Tin	Sha Tin
Sheung Wo Che	Sha Tin	Sha Tin
Ha Wo Che (Part)	Sha Tin	Sha Tin
Sham Tseng Tsuen	Tsuen Wan	Tsuen Wan

Footnote (1): Information not available to show this village comes under the relevant RC at this time

Annex (B)

Table (2): The names of villages where sewerage projects are being implemented

<i>Village Name</i>	<i>District Council</i>	<i>RC</i>	<i>Expected Completion Date</i>
Leng Tsai	North	Fan Ling	2008
Leng Tsui	North	Fan Ling	2010
Lung Yeuk Tau	North	Fan Ling	2010
Ma Mei Ha	North	Fan Ling	2010
Ma Wat Tsuen	North	Fan Ling	2010
San Tong Po	North	Fan Ling	2010
Tsz Tong Tsuen	North	Fan Ling	2010
Chuk Yuen	North	Ta Kwu Ling	2008
Heung Yuen Wai	North	Ta Kwu Ling	2008
Kan Tau Wai	North	Ta Kwu Ling	2008
Ping Che	North	Ta Kwu Ling	2008
Ping Yeung	North	Ta Kwu Ling	2008
Tai Po Tin	North	Ta Kwu Ling	2008
Tong Fong	North	Ta Kwu Ling	2008
Tsung Yuen Ha	North	Ta Kwu Ling	2008
Tai Tong Wu	North	Sha Tau Kok	2008
Sham Tseng Commercial New Village	Tsuen Wan	Tsuen Wan	2009
Sham Tseng San Tsuen	Tsuen Wan	Tsuen Wan	2009
Sham Tseng Kau Tsuen	Tsuen Wan	Tsuen Wan	2009
Shu On Terrace	Tsuen Wan	Tsuen Wan	2009
Tsing Fai Tong New Village	Tsuen Wan	Tsuen Wan	2009
Yuen Tun Village	Tsuen Wan	Tsuen Wan	2009
Tsing Lung Tau Tsuen	Tsuen Wan	Tsuen Wan	2009
Pai Min Kok Village	Tsuen Wan	Tsuen Wan	2009

<i>Village Name</i>	<i>District Council</i>	<i>RC</i>	<i>Expected Completion Date</i>
Sham Tseng East Village	Tsuen Wan	Tsuen Wan	2009
Ting Kau Village	Tsuen Wan	Tsuen Wan	2009
Tseng Tau Chung Tsuen	Tuen Mun	Tuen Mun	2013
Sok Kwu Wan Main Street	Islands	Lamma (South)	2010
Chung Mei	Islands	Lamma (South)	2010
Yung Shue Wan Main Street	Islands	Lamma (North)	2010
Sha Po New Village	Islands	Lamma (North)	2010
Po Wah Yuen (Part 1)	Islands	Lamma (North)	2010
Ngong Ping Village	Islands	Tai O	2008
Cheung Chau Old Town	Islands	Cheung Chau	2008
Pak Ngan Heung	Islands	Mui Wo	2010
Tai Tei Tong	Islands	Mui Wo	2010
Tung Wan Tau	Islands	Mui Wo	2010
Chung Hau	Islands	Mui Wo	2010
Peng Chau Old Town	Islands	Peng Chau	2008

Annex (C)

Table (3): The names of villages for which the design work of sewerage projects is underway

<i>Village Name</i>	<i>DC</i>	<i>RC</i>	<i>Expected Completion Date</i>
Ha Yau Tin Tsuen	Yuen Long	Shap Pat Heung	2013
Sheung Yau Tin Tsuen	Yuen Long	Shap Pat Heung	2013
Tai Tong Tsuen	Yuen Long	Shap Pat Heung	2013
Tai Kiu	Yuen Long	Shap Pat Heung	2013
Shan Pui Tsuen	Yuen Long	Shap Pat Heung	2013
Shui Pin Wai	Yuen Long	Shap Pat Heung	2013
Tung Tau Tsuen	Yuen Long	Shap Pat Heung	2013
Ying Lung Wai	Yuen Long	Shap Pat Heung	2013
Wong Uk Tsuen	Yuen Long	Shap Pat Heung	2013
Yeung Uk Tsuen	Yuen Long	Shap Pat Heung	2013
Tsoi Uk Tsuen	Yuen Long	Shap Pat Heung	2013
Nam Pin Wai	Yuen Long	Shap Pat Heung	2013
Tai Wai Tsuen	Yuen Long	Shap Pat Heung	2013
Small Traders New Village	Yuen Long	Shap Pat Heung	2013
Yuen Long Kau Hui	Yuen Long	Shap Pat Heung	2013
Kwan Lok San Tsuen	Yuen Long	Shap Pat Heung	2013
Sheung Cheung Wai	Yuen Long	Ping Shan	2013
Tai Tao Tsuen	Yuen Long	Ping Shan	2013
Tan Kwai Tsuen	Yuen Long	Ping Shan	2013
Hang Tau Tsuen	Yuen Long	Ping Shan	2013
Wo Ping San Tsuen	Yuen Long	Ping Shan	2013
Shan Ha Tsuen	Yuen Long	Ping Shan	2013
Chung Sam Wai	Yuen Long	Ping Shan	2013
Shui Pin Tsuen	Yuen Long	Ping Shan	2013
Sai Pin Wai	Yuen Long	Ping Shan	2013

<i>Village Name</i>	<i>DC</i>	<i>RC</i>	<i>Expected Completion Date</i>
Yuk Yat Garden	Yuen Long	Ping Shan	2013
Fui Sha Wai	Yuen Long	Ping Shan	2013
Sai Tau Wai	Yuen Long	Ping Shan	2013
Ting Fook Villas	Yuen Long	Ping Shan	2013
Tung Tau Wai	Yuen Long	Ping Shan	2013
Tung Tau Wai San Tsuen	Yuen Long	Ping Shan	2013
Lam Uk Tsuen	Yuen Long	Ping Shan	2013
Hung Uk Tsuen	Yuen Long	Ping Shan	2013
Yeung Uk Tsuen	Yuen Long	Ping Shan	2013
Fuk Hing Tsuen	Yuen Long	Ping Shan	2013
Kiu Tau Wai	Yuen Long	Ping Shan	2013
Chung Hing San Tsuen	Yuen Long	Ping Shan	2013
Hung Shui Kiu	Yuen Long	Ping Shan	2013
Sha Chau Lei Tsuen	Yuen Long	Ha Tsuen	2013
Tung Tau Tsuen	Yuen Long	Ha Tsuen	2013
Ha Tsuen San Wai	Yuen Long	Ha Tsuen	2013
San Lei Uk Tsuen	Yuen Long	Ha Tsuen	2013
Tin Sam Tsuen	Yuen Long	Ha Tsuen	2013
San Sang Tsuen	Yuen Long	Ha Tsuen	2013
Wong Chuk Shan San Tsuen	Sai Kung	Sai Kung	2014
Tai Shui Tseng	Sai Kung	Sai Kung	2014
Tai Chung Hau	Sai Kung	Sai Kung	2014
Pak Wai	Sai Kung	Sai Kung	2014
Pak Kong	Sai Kung	Sai Kung	2014
Pak Kong Au	Sai Kung	Sai Kung	2014
Ta Ho Tun Ha Wai	Sai Kung	Sai Kung	2014
Ta Ho Tun Sheung Wai	Sai Kung	Sai Kung	2014
Kap Pin Long (old)	Sai Kung	Sai Kung	2014
Pak Sha Wan	Sai Kung	Sai Kung	2014
Wo Tong Kong	Sai Kung	Sai Kung	2014
Nam Shan	Sai Kung	Sai Kung	2014
Nam Wai	Sai Kung	Sai Kung	2014
Mau Ping New Village	Sai Kung	Sai Kung	2014
Mok Tse Che	Sai Kung	Sai Kung	2014
Luk Mei Tsuen	Sai Kung	Sai Kung	2014
Wong Chuk Wan	Sai Kung	Sai Kung	2014
Kau Sai San Tsuen	Sai Kung	Sai Kung	2014
Wo Mei	Sai Kung	Sai Kung	2014
O Long	Sai Kung	Sai Kung	2014
Ho Chung	Sai Kung	Sai Kung	2014
Pik Shui San Tsuen	Sai Kung	Sai Kung	2014
Yim Tin Tsai	Sai Kung	Sai Kung	2014
Ma Nam Wat	Sai Kung	Sai Kung	2014
Wo Tong Kong	Sai Kung	Hang Hau	2010
Heng Mei Deng Tsuen	Sai Kung	Hang Hau	2010
Yu Uk Village	Sai Kung	Hang Hau	2010
Hung Uk Village	Sai Kung	Hang Hau	2010
Chan Uk Tsuen	Sai Kung	Hang Hau	2010
Wai Sum Village	Sai Kung	Hang Hau	2010
O Pui Village	Sai Kung	Hang Hau	2010

<i>Village Name</i>	<i>DC</i>	<i>RC</i>	<i>Expected Completion Date</i>
O Mun Village	Sai Kung	Hang Hau	2010
Tai Po Tsai	Sai Kung	Hang Hau	2014
Tseng Lan Shue	Sai Kung	Hang Hau	2014
Pak Shek Wo	Sai Kung	Hang Hau	2014
Tan Shan	Sai Kung	Hang Hau	2014
Sam Long	Sai Kung	Hang Hau	2014
Lung Wo Tsuen	Sai Kung	Hang Hau	2014
Tai Wan Tau	Sai Kung	Hang Hau	2014
Po Toi O	Sai Kung	Hang Hau	2014
Pik Uk Au	Sai Kung	Hang Hau	2014
Siu To Yuen Village	Sai Kung	Hang Hau	2014
Shui Bin Village	Sai Kung	Hang Hau	2015-2016
Ming Oi New Village	Sai Kung	Hang Hau	2015-2016
Mau Wu Tsai Village	Sai Kung	Hang Hau	2015-2016
Tseung Kwan O Upper Old Village	Sai Kung	Hang Hau	2015-2016
Hang Hau Lower Old Village	Sai Kung	Hang Hau	2015-2016
Wo Tong Kong Village	Sai Kung	Hang Hau	2015-2016
Boon Kin Village	Sai Kung	Hang Hau	2015-2016
Au Tau	Sai Kung	Footnote (1)	2015-2016
Sun Tei Village	Sai Kung	Footnote (1)	2015-2016
Tseung Kwan O Village	Sai Kung	Hang Hau	2015-2016
Ma Yau Tong Village	Sai Kung	Hang Hau	2015-2016
Ho Sheung Heung	North	Sheung Shui	2015
Kam Tsin	North	Sheung Shui	2015
Liu Pok	North	Sheung Shui	2015
Ma Tso Lung (North)	North	Sheung Shui	2015
Ping Kong	North	Sheung Shui	2011
Sheung Shui Heung	North	Sheung Shui	2011
Tsiu Keng	North	Sheung Shui	2015
Fan Ling	North	Fan Ling	2010
Fu Tei Pai	North	Fan Ling	2011
Hung Leng	North	Fan Ling	2015
Kan Tau Tsuen	North	Fan Ling	2011
Ko Po	North	Fan Ling	2011
Kwan Tei	North	Fan Ling	2011
Leng Pei Tsuen	North	Fan Ling	2011
Shung Him Tong (East)	North	Fan Ling	2011
Shung Him Tong (West)	North	Fan Ling	2011
Tong Hang (Lower)	North	Fan Ling	2011
Tong Hang (Upper)	North	Fan Ling	2011
Wo Hop Shek	North	Fan Ling	2011
Muk Wu	North	Ta Kwu Ling	2015
Kong Ha	North	Sha Tau Kok	2015
Lin Ma Hang	North	Sha Tau Kok	2015
Luk Keng Chan Uk	North	Sha Tau Kok	2015
Luk Keng Wong Uk	North	Sha Tau Kok	2015
Muk Min Tau and Tsiu Hang	North	Sha Tau Kok	2015
Nam Chung	North	Sha Tau Kok	2015
San Tsuen	North	Sha Tau Kok	2015
Shan Tsui	North	Sha Tau Kok	2015

<i>Village Name</i>	<i>DC</i>	<i>RC</i>	<i>Expected Completion Date</i>
Tam Shui Hang	North	Sha Tau Kok	2015
Tong To	North	Sha Tau Kok	2015
Wu Shek Kok	North	Sha Tau Kok	2015
Yim Tso Ha and Pok Tau Ha	North	Sha Tau Kok	2015
Lo Tsz Tin	Tai Po	Tai Po	2011
Lung Mei	Tai Po	Tai Po	2011
Po Sam Pai	Tai Po	Tai Po	2011
Ting Kok	Tai Po	Tai Po	2011
Wong Chuk Tsuen	Tai Po	Footnote (1)	2011
San Tau Kok	Tai Po	Tai Po	2011
Lei Pek Shek San Tsuen	Tai Po	Tai Po	2011
Cheung Shue Tan	Tai Po	Tai Po	2011
Tai Po Mei	Tai Po	Tai Po	2011
Lin Au	Tai Po	Tai Po	2014
Tai Po Tau	Tai Po	Tai Po	2014
Fung Yuen	Tai Po	Tai Po	2014
CARE Village	Tai Po	Tai Po	2014
Shan Tong New Village	Tai Po	Tai Po	2014
Ha Wong Yi Au	Tai Po	Tai Po	2014
Wong Nai Fai	Tai Po	Tai Po	2014
Ha Wun Yiu	Tai Po	Tai Po	2014
Ma Wo Tsuen	Tai Po	Tai Po	2014
San Uk Ka	Tai Po	Tai Po	2014
Shuen Wan Chan Uk	Tai Po	Tai Po	2014
Ting Kok	Tai Po	Tai Po	2014
Kau Liu Ha	Tai Po	Tai Po	2013
Hang Ha Po	Tai Po	Tai Po	2013
San Uk Pai	Tai Po	Tai Po	2013
Fong Ma Po	Tai Po	Tai Po	2013
San Uk Tsai	Tai Po	Tai Po	2013
Chung Uk Tsuen	Tai Po	Tai Po	2013
Tong Min Tsuen	Tai Po	Tai Po	2013
She Shan	Tai Po	Tai Po	2013
Sun Tsuen (Lam Tsuen)	Tai Po	Tai Po	2013
San Tong	Tai Po	Tai Po	2013
Pak Tin Kong	Tai Po	Tai Po	2013
Tai Mong Che	Tai Po	Tai Po	2013
Ma Po Mei	Tai Po	Tai Po	2013
Shui Wo	Tai Po	Tai Po	2013
Pak Ngau Shek Ha Tsuen	Tai Po	Tai Po	2013
Pak Ngau Shek Sheung Tsuen	Tai Po	Tai Po	2013
Ng Tung Chai	Tai Po	Tai Po	2013
Chai Kek	Tai Po	Tai Po	2013
Wo Liu	Tai Po	Tai Po	2013
Ping Long	Tai Po	Tai Po	2013
Tai Om	Tai Po	Tai Po	2013
Lung A Pai	Tai Po	Tai Po	2013
Ko Tin Hom	Tai Po	Tai Po	2013
Tin Liu Ha	Tai Po	Tai Po	2013
Chuen Shui Tseng	Tai Po	Tai Po	2013

<i>Village Name</i>	<i>DC</i>	<i>RC</i>	<i>Expected Completion Date</i>
Wo Tong Pui	Tai Po	Footnote (1)	2013
Sha Pa	Tai Po	Tai Po	2013
Shuen Wan Wai Ha (remaining part)	Tai Po	Tai Po	2011
Shuen Wan Lei Uk	Tai Po	Tai Po	2011
Tai Mei Tuk	Tai Po	Tai Po	2011
Tai Hang	Tai Po	Tai Po	2013
Tai Wo	Tai Po	Tai Po	2013
Nam Wa Po	Tai Po	Tai Po	2013
Kau Lung Hang San Wai	Tai Po	Tai Po	2013
Kau Lung Hang Lo Wai	Tai Po	Tai Po	2013
Yuen Leng	Tai Po	Tai Po	2013
Wai Tau Tsuen	Tai Po	Tai Po	2013
Cheung Muk Tau	Tai Po	Sai Kung North	2014
Sai O	Tai Po	Sai Kung North	2014
Nai Chung	Tai Po	Sai Kung North	2014
Kwun Hang	Tai Po	Sai Kung North	2014
Che Ha	Tai Po	Sai Kung North	2014
Ma Kwu Lam	Tai Po	Sai Kung North	2014
Tai Tung	Tai Po	Sai Kung North	2014
Tseng Tau	Tai Po	Sai Kung North	2014
Nga Yiu Tau	Tai Po	Footnote (1)	2014
Tai Tung Wo Liu	Tai Po	Footnote (1)	2014
Sai Keng	Tai Po	Sai Kung North	2014
Kei Ling Ha San Wai	Tai Po	Sai Kung North	2014
Kei Ling Ha Lo Wai	Tai Po	Sai Kung North	2014
Chek Nai Ping	Sha Tin	Sha Tin	2011
Wu Kai Sha	Sha Tin	Sha Tin	2011
Tung Lo Wan	Sha Tin	Sha Tin	2011
Tai Lam Liu	Sha Tin	Sha Tin	2011
Sheung Wo Che	Sha Tin	Sha Tin	2011
Kau To	Sha Tin	Sha Tin	2014
Ma Liu	Sha Tin	Sha Tin	2014
Kwai Tei New Village	Sha Tin	Sha Tin	2014
Tin Liu Lai Chi Yuen	Sha Tin	Sha Tin	2014
Sha Tin Tau New Village	Sha Tin	Sha Tin	2014
Tsok Pok Hang San Tsuen	Sha Tin	Sha Tin	2014
Fui Yiu Ha	Sha Tin	Sha Tin	2014
Siu Lek Yuen	Sha Tin	Sha Tin	2014
Sha Tin Fishermen's New Village	Sha Tin	Sha Tin	2014
Cheung Kang	Sha Tin	Sha Tin	2014
Pai Tau	Sha Tin	Sha Tin	2014
Lok Lo Ha (remaining part)	Sha Tin	Sha Tin	2014
Ha Wo Che (remaining part)	Sha Tin	Sha Tin	2014
Lo Wai	Tsuen Wan	Tsuen Wan	2012
Chuen Lung			2012
Kau Wa Keng Old Village			2012
Tseng Tau Sheung Tsuen	Tuen Mun	Tuen Mun	2013
Siu Lam Tsuen	Tuen Mun	Tuen Mun	2013
Siu Lam San Tsuen	Tuen Mun	Tuen Mun	2013
Tsing Shan Tsuen	Tuen Mun	Tuen Mun	2013

<i>Village Name</i>	<i>DC</i>	<i>RC</i>	<i>Expected Completion Date</i>
Fuk Hang Tsuen (Upper)	Tuen Mun	Tuen Mun	2013
Fu Tei Tsuen	Tuen Mun	Tuen Mun	2013
Luen On San Tsuen	Tuen Mun	Tuen Mun	2013
Fuk Hang Tsuen (Lower)	Tuen Mun	Tuen Mun	2013
Tsz Tin Tsuen	Tuen Mun	Tuen Mun	2013
Po Tong Ha	Tuen Mun	Tuen Mun	2013
Siu Hang Tsuen	Tuen Mun	Tuen Mun	2013
Kei Lun Wai	Tuen Mun	Tuen Mun	2013
Yeung Siu Hang	Tuen Mun	Tuen Mun	2013
Lam Tei	Tuen Mun	Tuen Mun	2013
Tuen Mun San Tsuen	Tuen Mun	Tuen Mun	2013
Tsing Chuen Wai	Tuen Mun	Tuen Mun	2013
Tuen Tze Wai	Tuen Mun	Tuen Mun	2013
Sun Fung Wai	Tuen Mun	Tuen Mun	2013
To Yuen Wai	Tuen Mun	Tuen Mun	2013
Tai Lam Chung	Tuen Mun	Tuen Mun	2013
San Hing Tsuen	Tuen Mun	Tuen Mun	2013
Nai Wai	Tuen Mun	Tuen Mun	2013
So Kwun Wat	Tuen Mun	Tuen Mun	2013
Pak Long	Tuen Mun	Tuen Mun	2015-2016
Lung Tsai	Tuen Mun	Tuen Mun	2015-2016
Nam Long	Tuen Mun	Tuen Mun	2015-2016
Sha Po Kong	Tuen Mun	Tuen Mun	2015-2016
Ka Loon Tsuen	Tsuen Wan	Footnote (1)	2015-2016
Yung Shue Long Old/New Village	Islands	Lamma (North)	2013
Tai Peng	Islands	Lamma (North)	2013
Po Wah Yuen (Part 2)	Islands	Lamma (North)	2013
Tai Shan (East, Central and West)	Islands	Lamma (North)	2013
Sha Po Old Village	Islands	Lamma (North)	2013
Tai Yuen Tsuen	Islands	Lamma (North)	2013
Tai Yuen San Tsuen	Islands	Lamma (North)	2013
Tai Wan Kau/San Tsuen	Islands	Lamma (North)	2013
Wang Long	Islands	Lamma (North)	2013
Ko Long	Islands	Lamma (North)	2013
O Tsai	Islands	Lamma (North)	2013
Hung Shing Ye	Islands	Lamma (North)	2013
Lung Tsai Tsuen	Islands	Lamma (North)	2013
Tai Wan To	Islands	Lamma (North)	2013
Tai Ling Tsuen	Islands	Lamma (North)	2013
Shek Tsai Po	Islands	Tai O	2013
Hang Mei	Islands	Tai O	2013
Sun Ki Street, Wang Hang Village	Islands	Tai O	2013
Kat Hing Street, Kat Hing Back Street, Tai O Market Street	Islands	Tai O	2013
Fan Kwai Tong	Islands	Tai O	2013
Nan Chung Tsuen	Islands	Tai O	2013
Leung Uk Tsuen	Islands	Tai O	2013
San Tsuen	Islands	Tai O	2013
Tai Kwai Wan San Tsuen	Islands	Cheung Chau	2013
Pak She San Tsuen	Islands	Cheung Chau	2013

<i>Village Name</i>	<i>DC</i>	<i>RC</i>	<i>Expected Completion Date</i>
Siu Kwai Wan	Islands	Cheung Chau	2013
Ko Shan Tsuen	Islands	Cheung Chau	2013
Lung Tsai Tsuen	Islands	Cheung Chau	2013
Tai Tsoi Yuen Kui	Islands	Cheung Chau	2013
Mui Wo Kau Tsuen	Islands	Mui Wo	2013
Tsoi Yuen Tsuen	Islands	Mui Wo	2013
Wang Tong	Islands	Mui Wo	2013
Luk Tei Tong	Islands	Mui Wo	2013
Sun Lung Wai	Islands	Mui Wo	2013
Ma Po Tsuen	Islands	Mui Wo	2013
Nim Po Tsuen	Islands	Mui Wo	2013
Tseng Tau San Tsuen	Islands	Mui Wo	2013
Ha Tsuen Long Luk Tei Tong	Islands	Mui Wo	2013
Nam Bin Wai	Islands	Mui Wo	2013
Tung Wan area	Islands	Peng Chau	2011
Shan Ting Tsuen	Islands	Peng Chau	2011
Tai Lung Tsuen	Islands	Peng Chau	2011
Wai Tsai Tseng San Tsuen	Islands	Peng Chau	2011
Wai Tsai Tsuen	Islands	Peng Chau	2011
Tai Yat San Tsuen	Islands	Peng Chau	2011
Nam Wan Shan Ting San Tsuen	Islands	Peng Chau	2011
Yuen Ling Tsai	Islands	Peng Chau	2011
Nam Wan San Tsuen	Islands	Peng Chau	2011

Footnote (1): Information not available to show this village comes under the relevant RC at this time

Expansion Project of United Christian Hospital

18. **DR KWOK KA-KI** (in Chinese): *President, regarding the expansion project of the United Christian Hospital (UCH), will the Government inform this Council:*

- (a) *whether it knows if the Hospital Authority (HA) has plans to submit the above expansion project to the Government in this financial year; if so, of the details;*
- (b) *when it will seek funding approval of the Finance Committee of this Council;*
- (c) *when the expansion project is expected to commence and be completed; and*
- (d) *of the concrete measures to alleviate the shortfall in services and space of the hospital before completion of the expansion project?*

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

(a), (b) and (c)

The Kowloon East Hospital Cluster (KE Cluster) of the HA, like other hospital clusters, regularly reviews its services having regard to the demographic changes, increase in service demand and service utilization within the area, while mapping out plans for the provision of facilities and services based on future needs as necessary. HA is now drawing up the preliminary expansion plan of the UCH, and will, in accordance with its established procedures, examine the project before submitting it to the Government for consideration. At the present stage, the details as well as the expected commencement and completion dates of the project are not yet available.

As for the Tseung Kwan O Hospital (TKOH) within the KE Cluster, the expansion project will be submitted to the Finance Committee for funding approval this month. Besides, the KE Cluster has already made plans for the redevelopment project of the Haven of Hope Hospital. The redevelopment project mainly involves reprovisioning the existing infirmary wards and setting up the Day Medical and Rehabilitation Centre. HA and the Government will handle the relevant work according to the established mechanism.

- (d) HA implements a number of initiatives in 2008-2009 to enhance the services of KE Cluster. These include:
- (i) setting up an ear, nose and throat (ENT) specialist centre at UCH. It is estimated that the waiting time for ENT specialist out-patient cases triaged as routine cases can be shortened by four months;
 - (ii) setting up a comprehensive breast cancer centre to provide one-stop and comprehensive multidisciplinary services to breast cancer patients. It is estimated that an additional 1 800 breast cancer patients will be benefited each year; and
 - (iii) expanding the service of TKOH Ambulatory Surgery Centre to provide 900 day surgeries per annum;

In addition, UCH will enhance the services for stroke patients and the physiotherapy assessments on neck and back. It will also establish oncology out-patient service, provide occupational therapy services for psychiatric patients and provide a 24-hour pharmacy in the Accident and Emergency Department. Meanwhile, KE Cluster will improve the services for expectant mothers and newborns, as well as the psychiatric and nephrology services.

To enhance the support for the elderly dischargees and their carers, UCH, in collaboration with Labour and Welfare Bureau, has launched a pilot programme of the "Integrated Discharge Support Programme for Elderly Patients" in Kwun Tong District in March 2008 to provide one-stop care services for the elderly dischargees. The programme also covers transitional rehabilitation and visiting home care services.

Passing on Rates Concession to Tenants of Hong Kong Housing Authority and Hong Kong Housing Society

19. **MR WONG KWOK-HING** (in Chinese): *President, in the 2008-2009 Budget, the Financial Secretary proposed to waive rates for the current financial year, subject to a ceiling of \$5,000 per quarter for each rateable tenement. This waiver measure is applicable to the properties under Hong Kong Housing Society (HKHS) and Hong Kong Housing Authority (HA). In this connection, will the Government inform this Council if it knows whether:*

- (a) *HKHS had passed on the full amount of the Government's rates concession for 2007 to tenants of its residential properties, commercial shops and parking spaces; if not, of the reasons for that, and whether HKHS, when it made the decision to increase the rents of its parking spaces with effect from 1 April this year, had taken into account the factor that it had not passed on the benefit concerned to its tenants last year, thereby reduced the percentage of rental increase;*
- (b) *HKHS will pass on the full amount of the Government's rates concession for this financial year to the tenants concerned; if not, of the reasons for that; and*

- (c) *those HA tenants who have to pay additional rents had benefited from the rates waiver measure last year; if not, of the reasons for that?*

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

- (a) We understand that the rents of the residential units and parking spaces in the rental estates of the HKHS are rates inclusive, whereas the rents of commercial units are not. Commercial tenants pay rates to HKHS separately.

The HKHS indicated that when the Government granted rates concession in the past, it would deduct the amount of rates concession from the monthly rents of the residential units. Its commercial tenants would only need to pay rents, but not rates, during the period of rates concession. As for parking spaces, having regard to the small amount of average rates for each parking space, the technical difficulties and the associated administrative cost involved in passing on the rates concession to individual users, the HKHS did not make such an arrangement.

The HKHS indicated that the rental rates of its parking spaces were determined having regard to market conditions and the specific circumstances of individual car parks. Upon review, the rental rates of most of its car parks have been frozen this year, although there are upward or downward adjustments to the rental rates of a few car parks. The HKHS has introduced a quarterly parking licence to provide price concessions to long-term users of its parking spaces.

- (b) The HKHS has indicated that this year's arrangement in respect of rates concession for its tenants and parking space users would be the same as that in the past.
- (c) After the Government waived rates last year, the HA passed on the concerned rates concession to its tenants, including those required to pay additional rents.

Police's Handling of Matters Relating to News Covering Activities of Media

20. **MS EMILY LAU** (in Chinese): *President, regarding the police's handling of matters relating to the news covering activities of the media, will the executive authorities inform this Council:*

- (a) *given that the police deployed in 2005 40 police officers to take up the new posts of Media Liaison Officer to assist the media in their news covering activities, whether the authorities have assessed if the expected effectiveness of these posts has been achieved; if so, of the details;*
- (b) *whether there are guidelines in the Force Procedures Manual specifying how front-line police officers should handle matters relating to the news covering activities of the media; if so, of the details, and whether any police officers were subject to disciplinary actions for breaching the relevant guidelines in the past five years; if so, of the details of the cases concerned;*
- (c) *of the number of complaints received by the police in the past two years about police officers obstructing the news covering activities of reporters and hence hampering press freedom; the details of such complaints and the improvement measures adopted by the police; and*
- (d) *whether the police had provided information to individual media organizations selectively in the past five years; if so, of the reasons for that?*

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

- (a) During the sixth Ministerial Conference of the World Trade Organization in 2005, the police deployed 39 police officers and seven Information Officers to act as "Media Liaison Officers", with the responsibility for assisting the media in reporting on police operations. The police reviewed the arrangement after the Conference, and concluded that it was effective in building bridges between the police and the media. Therefore, they recommended that the same arrangement should be considered in future major operations.

The police thus deployed seven police officers and seven Information Officers to act as "Media Liaison Officers" during the Olympic Torch Relay on 2 May 2008. These officers assisted the media in news reporting at major locations along the route of the torch relay, and offered advice, as necessary, to Police Commanders at the scene on matters concerning arrangements for news reporting by the media. The police considered that once again the arrangement demonstrated the effective role of "Media Liaison Officers".

- (b) The Force Procedures Manual contains detailed guidelines on how the police are to deal with matters concerning news reporting by the media. The Manual provides clearly that the police should maintain cordial relations with the news media based on mutual respect and understanding, and provide timely and accurate information to journalists within the bounds of the law. The Manual also provides guidelines on how to facilitate the media in filming, photo-taking and reporting. The guidelines in the Force Procedures Manual seek to assist front-line police officers in striking an appropriate balance between conducting investigations and facilitating news reporting by the media.

The Force Procedures Manual further provides that Force Commanders should communicate and liaise closely with the Police Public Relations Branch, so that the latter may provide assistance as appropriate, for example, in co-ordinating the arrangements for news reporting by journalists during police operations, or disseminating information to the media where police operations will not be prejudiced. Police Commanders may also consult the Police Public Relations Branch on press area arrangements, with a view to facilitating the media in filming and news reporting.

According to the record of the Hong Kong Police Force, in 2003 to 2007, no police officer was subject to disciplinary action for breaching the guidelines in the Force Procedures Manual concerning arrangements for news reporting by the media.

- (c) According to the record of the Complaints Against Police Office, it did not receive any complaint in 2006 and 2007 about police officers obstructing reporters in news reporting, thus undermining press

freedom. In 2008, the police have (up to 30 May) received one complaint involving allegations of unfair treatment of journalists by police officers. The police are investigating into the case.

- (d) The Force Procedures Manual stipulates that all news media and journalists should be given equal treatment when the police disseminate information and arrange media coverage. Through training courses, the police have specifically reminded police officers of the guidelines on equal treatment to all news media and journalists. The police also regularly remind all Police Formations of the need for strict compliance with the relevant guidelines.

MEMBERS' MOTIONS

PRESIDENT (in Cantonese): Members' motions. Proposed resolution under the Fugitive Offenders Ordinance to extend the period for repealing the Fugitive Offenders (Ireland) Order.

I now call upon Mr James TO to speak and move his motion.

PROPOSED RESOLUTION UNDER THE FUGITIVE OFFENDERS ORDINANCE

MR JAMES TO (in Cantonese): Madam President, in my capacity as Chairman of the Subcommittee on Fugitive Offenders (Ireland) Order (the Order), which was published in the Gazette on 2 May 2008, I move that the motion under my name be passed.

Madam President, the Subcommittee held a meeting on 19 May 2008 and completed the preliminary scrutiny work. The Subcommittee has no objection to the Order. To allow more time for Members of the Subcommittee to examine whether further clarification on any item is required, Members agreed that I move a motion in my capacity as Chairman to extend the scrutiny period of the Order to the meeting of the Legislative Council on 25 June 2008.

With these remarks, I implore Members to support this motion on the extension of the scrutiny period.

Mr James TO moved the following motion:

"RESOLVED that in relation to the Fugitive Offenders (Ireland) Order, published in the Gazette as Legal Notice No. 96 of 2008 and laid on the table of the Legislative Council on 7 May 2008, the period for repealing an order referred to in section 3(3) of the Fugitive Offenders Ordinance (Cap. 503) be extended under section 3(5) of that Ordinance to the meeting of 25 June 2008."

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

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

(No Member indicated a wish to speak)

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

(Members raised their hands)

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

(No hands raised)

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

PRESIDENT (in Cantonese): Two proposed resolutions under the Interpretation and General Clauses Ordinance in relation to extension of the period for amending subsidiary legislation.

PRESIDENT (in Cantonese): First motion: Extending the period for amending the Pension Benefits Ordinance (Established Offices) (Amendment) (No. 2) Order 2008.

I now call upon Mr KWONG Chi-kin to speak and move his motion.

PROPOSED RESOLUTION UNDER THE INTERPRETATION AND GENERAL CLAUSES ORDINANCE

MR KWONG CHI-KIN (in Cantonese): Madam President, on behalf of the Subcommittee on Pension Benefits Ordinance (Established Offices) (Amendment) (No. 2) Order 2008, I move that the motion under my name be passed.

To allow the Subcommittee to continue with the scrutiny work and to submit a report to the House Committee, Members agreed that I move a motion to extend the scrutiny period of the Amendment Order to 25 June 2008.

With these remarks, I urge Members to support this motion.

Mr KWONG Chi-kin moved the following motion:

"RESOLVED that in relation to the Pension Benefits Ordinance (Established Offices) (Amendment) (No. 2) Order 2008, published in the Gazette as Legal Notice No. 104 of 2008 and laid on the table of the Legislative Council on 7 May 2008, the period for amending subsidiary legislation referred to in section 34(2) of the Interpretation and General Clauses Ordinance (Cap. 1) be extended under section 34(4) of that Ordinance to the meeting of 25 June 2008."

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

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

(No Member indicated a wish to speak)

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

(Members raised their hands)

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

(No hands raised)

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

PRESIDENT (in Cantonese): Second motion: Extending the period for amending the Sewage Services (Trade Effluent Surcharge) (Amendment) Regulation 2008.

I now call upon Ms Audrey EU to speak and move her motion.

PROPOSED RESOLUTION UNDER THE INTERPRETATION AND GENERAL CLAUSES ORDINANCE

MS AUDREY EU (in Cantonese): President, I move that the motion under my name be passed.

At the House Committee meeting held on 16 May 2008, Members agreed to form a subcommittee to study the Sewage Services (Trade Effluent Surcharge) (Amendment) Regulation 2008.

The Subcommittee held its first meeting on 26 May 2008. Members consider it necessary to hear the views of the groups concerned and negotiate with the Government on the setting and reassessment of surcharges. To allow

sufficient time for the Subcommittee to carry out scrutiny work, I move a motion in my capacity as Chairman of the Subcommittee to extend the scrutiny period of the Notice to 2 July 2008.

President, details of the motion are set out on the Agenda. I urge Members to support the motion.

Ms Audrey EU moved the following motion:

"RESOLVED that in relation to the Sewage Services (Trade Effluent Surcharge) (Amendment) Regulation 2008, published in the Gazette as Legal Notice No. 106 of 2008 and laid on the table of the Legislative Council on 14 May 2008, the period for amending subsidiary legislation referred to in section 34(2) of the Interpretation and General Clauses Ordinance (Cap. 1) be extended under section 34(4) of that Ordinance to the meeting of 2 July 2008."

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

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

(No Member indicated a wish to speak)

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

(Members raised their hands)

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

(No hands raised)

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

PRESIDENT (in Cantonese): Proposed resolution under Article 75 of the Basic Law of the Hong Kong Special Administrative Region of the People's Republic of China.

I now call upon Mr Jasper TSANG to speak and move his motion.

PROPOSED RESOLUTION UNDER ARTICLE 75 OF THE BASIC LAW OF THE HONG KONG SPECIAL ADMINISTRATIVE REGION OF THE PEOPLE'S REPUBLIC OF CHINA

MR JASPER TSANG (in Cantonese): President, I move that the resolution proposed by me in relation to the amendment of the Rules of Procedure of the Legislative Council of the Hong Kong Special Administrative Region be passed.

The Committee on Rules of Procedure has recently reviewed the arrangement for moving motions with no legislative effect for debate at meetings of the Legislative Council, and considered other feasible arrangements to allow Members to move motions on topical issues promptly.

Having consulted the views of all Members, the Committee on Rules of Procedure proposes to extend the duration of adjournment debates held pursuant to Rule 16(4) of the Rules of Procedure from one hour to one and a half hours, and that each Member, including the proposer, may speak for up to five minutes. The total speaking time for designated public officers will remain to be 15 minutes.

The amendments to the Rules of Procedure proposed by the Committee on Rules of Procedure, which has been discussed and accepted by the House Committee earlier, are set out on the Resolution. I urge Members to support the Resolution.

Thank you, President.

Mr Jasper TSANG moved the following motion:

"RESOLVED that Rule 16 of the Rules of Procedure of the Legislative Council of the Hong Kong Special Administrative Region be amended -

- (a) in subrule (6), by repealing "45 minutes" and substituting "75 minutes"; and
- (b) in subrule (7), by repealing "one hour" and substituting "one and a half hours."

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

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

(No Member indicated a wish to speak)

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

(Members raised their hands)

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

(No hands raised)

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

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

PRESIDENT (in Cantonese): First motion: Promoting the development of local football.

I now call upon Mrs Sophie LEUNG to speak and move her motion.

PROMOTING THE DEVELOPMENT OF LOCAL FOOTBALL

MRS SOPHIE LEUNG (in Cantonese): President, when I decided to move this motion, I was told that I should perhaps make a declaration of interests. However, President, I have no interests whatsoever to declare, so I do not think that it is necessary for me to make any such declaration.

More than half of a century ago, despite its being just an ink-spot on the map, Hong Kong was known as the "Kingdom of Football". However, with Hong Kong's economic take-off and its increasing ties with China, the local football industry has declined instead of progressing any further. As a metropolis, Hong Kong must have team brands in sport in order to focus the world's attention. And, a sport capable of acting as a symbol of the country or the region is also conducive to creating a harmonious society and an atmosphere of solidarity and unity.

In the United States, there is the National Basketball Association (NBA); in the United Kingdom, there is the English Premier League; in Japan, there are the Japanese Baseball League and the Japanese National Football League (J-League); in China, there are table-tennis, gymnastics and women's volleyball; and, in Korea, there is Taekwondo. And, even in the case of Pakistan, its international achievement in squash is also well-known to all. But what kind of sport can serve as a symbol of or represent Hong Kong?

As we all know, in Hong Kong, football is the sport that commands the broadest popular support. Every Saturday and Sunday, when matches of the top four football leagues of Europe are televised live, many football fans in Hong Kong will gather with their friends in bars, restaurants or their homes in order to watch the matches. In times of the FIFA World Cup and the UEFA European Football Championship held every four years, the atmosphere will be even more frantic. This shows that football is already a special cohesive force among the young people and the community in Hong Kong. If there is a football team for the Hong Kong SAR, if the public and football fans can develop a sense of

belonging to this team, and if the Government can provide the necessary resource and policy support, it will not be difficult to form a strong team that can unite the community. Given further development and full-scale professionalization, it will be possible to upgrade local football.

But over the past 30 years, owing to inadequate resource and other support, the development of Hong Kong football has already been overtaken by its neighbouring countries and regions. Some football fans have told me that 30 years ago, there were basically no football teams in Japan. It was not until as recently as the early 1990s that the Japanese Government decided to introduce professional soccer and establish the J-League. After a short span of just 15 years, the J-League has already laid a very firm foundation for the development of football in Japan. Japan even succeeded in becoming a co-host of the last FIFA World Cup Final. With incessant upgrading of footballers' quality, the standard of the J-League has been rising. By now, Japan has become one of the most powerful football nations with the best and most capable players in Asia. The Japanese national football team has by now become a well-known team.

As for the current situation of Hong Kong football, even if some enthusiasts are willing to spend as much as 10 million or even 100 million a year on a football team despite the prospects of losses, the money is often spent on importing non-resident players and foreign coaches due to the emphasis on winning trophies. There is a reliance on non-resident players, and in many cases, local players can just serve as reserves due to inadequate physical strength and training. Local young players' need for training and actual match experience are often neglected, with the result that once the number of non-resident players allowed in a match is restricted, a football team will be reduced to its original shape. Local players are deficient in actual match experience, so they are not in good form and do not have enough confidence. It is therefore only natural that they cannot give full play to their abilities. This explains why the Hong Kong team is invariably slaughtered in practically all international matches. Coupled with uncertain career prospects, how can local young people, especially football players, not be dispirited?

The right remedy must be administered in order to ultimately solve all the problems faced by the development of the local football industry. We must start systematically from the very bottom by inducing larger numbers of youngsters to play football. Following this, Hong Kong teams for different ages — 12, 14, 16, 18, 20 and 23 — should be formed systematically. We

must emphasize not only the amount of training but also the quality of training. It is only in this way that we can form a "home team" with stronger competitiveness to represent Hong Kong.

We may also make arrangements for such a team to take part in matches of higher standards, such as the matches of the Chinese Super League and the Chinese Football Association Jia League. It may not necessarily win, but as long as there are prospects, regular training and matches outside of Hong Kong, young football players with aspirations and potentials will certainly be induced to become contract players. But if we cling to the old practice, just arranging for the newly-form team some friendly matches with second- and third-rate teams in South East Asia and then call it a day after winning, such a perfunctory and myopic approach cannot possibly make young players willing to start a career in professional football.

In fact, there is a stadium with a capacity of 40 000 people in Hong Kong. This stadium can serve as the base of our home team, where it can challenge the football teams of the Chinese Super League and the Chinese Football Association Jia League. This will not only enable local players to participate in league matches of higher standards, thereby giving them more room for progress and development, the high-standard football club players of the Mainland can also have a chance to play in Hong Kong, thereby enabling Hong Kong football fans to gain a further understanding of the development and standard of the mainland football sector.

President, I still wish to say a few more words here. The reason is that the numbers of local players and non-resident players are fixed at certain ratios for the matches we have with football teams of other places. The ratios are all fixed by the Fédération Internationale de Football Association. The required proportion of local players will increase proportionately to the level of the match concerned. Therefore, if Hong Kong still does not train up more local players, it will have no chance to take part in any international matches sooner or later.

As long as matches can offer new excitement, their appeal should not be underestimated. Economically, the large numbers of fans that travel southward to Hong Kong with guest teams can help boost Hong Kong's tourism industry. Businesses and enterprises will once again focus on the Hong Kong football industry, and live broadcasts of matches will bring forth even greater gains. More importantly, we can take this opportunity as a stepping stone enabling

Hong Kong football to fight its way out of Asia. Provided that our football players can have exposure in high-standard league matches, Hong Kong will no longer be one of the also-rans in World Cup and Asian Cup qualifying matches.

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

The development of Hong Kong football is also faced with a shortage of training grounds and facilities. This has created problems for the training of young, amateur and even professional players. It will be very good if the Government can set up a well-established football academy equipped with sufficient and satisfactory facilities. Such an academy can on the one hand provide young people interested in becoming football players with professional and formal football training. And, on the other hand, it can also offer coach training and job opportunities to retired players, as a means of recognizing their achievements in the field of football and turning football into a life-long career.

Deputy President, the reason for my proposing this motion is basically related to a one-day function organized by some well-intentioned people in Tin Shui Wai earlier on. One of the items in this function was football for youngsters. We invited some interested youngsters to practise ball control techniques. I noticed that some of them still took part although they were wearing just flip-flops. But their ball control techniques were not bad at all. I think the fact that they still took part although they were wearing flip-flops can prove that football is something considered very important by youngsters. Besides, on that day, there was also a recruitment exercise for a summer football training class. The quota was filled in just a matter of hours. But many youngsters still kept on waiting. I am of the view that football as a sport can assist youngsters in their physical and psychological development, in addition to nurturing the spirit of solidarity. I agree that we should also promote sports such as windsurfing, cycling and table tennis, for WONG Kam-po and LI Lai-shan have indeed brought much glory to Hong Kong at the international sport arena. But all these are after all just solo sports. They are not any team sports that can serve as a symbol representing Hong Kong, nor can they foster any team spirit in Hong Kong as a whole.

In order to promote Hong Kong football and foster community harmony and solidarity, we must set up a football team with popular recognition and support to serve as a team brand of sport of Hong Kong. Since so many places

have already succeeded in creating a team-brand sport over a short span of just 20 years, why is it impossible for Hong Kong to do so? By putting forward this present proposal, I hope that Members can urge the Government to set up an advisory group on the ways adopted by different places to turn football into a team-brand sport. I hope that with Members' support, this wish of mine can be realized. Thank you, Deputy President.

DEPUTY PRESIDENT (in Cantonese): Mrs Sophie LEUNG, please move your motion now.

MRS SOPHIE LEUNG (in Cantonese): Yes, Deputy President. With these remarks, I move the motion.

Mrs Sophie LEUNG moved the following motion: (Translation)

"That, as football, being a very popular sport in Hong Kong, is well liked and widely supported by the community, the Government should capitalize on this favourable condition to promote the development of local football and establish team brands, which will not only raise the standards of sports activities, but can also promote social integration and enhance social cohesion; in this connection, this Council urges the Government to:

- (a) immediately conduct a detailed study to position the development of local football, formulate an overall development plan, set long-term and short-term goals, and implement the relevant initiatives, etc;
- (b) develop football training schemes for local youngsters and enhance the training for young football players with potential, so as to lay a good foundation for the development of local football;
- (c) provide support to promote the professionalization of local football, such as assisting the football sector in drawing up a clear framework and targets for the development of professional football players as well as career paths for coaches and managers, etc to be promoted to the management of football teams, thereby

encouraging more football players to take up the sport as their career and facilitating the enhancement of the professional standards of the sport;

- (d) provide support for football teams to conduct overseas training and participate in overseas matches, so as to encourage exchange of experience and learning, and become stronger teams; and
- (e) draw reference from successful examples in Europe and America to create a favourable environment for establishing local football team brands."

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

DEPUTY PRESIDENT (in Cantonese): Two Members intend to move amendments to this motion. The motion and the two amendments will now be debated together in a joint debate.

I now call upon Miss CHOY So-yuk to speak first, to be followed by Dr YEUNG Sum; but no amendments are to be moved at this stage.

MISS CHOY SO-YUK (in Cantonese): Deputy President, football is the most popular sport in the present-day world. Back in the 1950s and the 1960s, Hong Kong was known far and wide as the "Kingdom of Football" in Asia. The Hong Kong football team was once regarded as the best in Asia. And, although footballers in the 1960s and 1970s were mostly amateur players, their fighting spirit and ball control skills at the football ground were very amazing. At that time, major football matches were even the best Sunday entertainments for the public and their popular conversational topics during leisure time.

However, over the past decade or so, the box office records of local football matches have been declining incessantly. In some cases, the number of players may even be greater than that of spectators, much to the disappointment of football club owners. Loyal football fans, too, can only sigh and try to recall the good old days of Hong Kong football.

Hong Kong football is currently plagued with many problems. For example, players' salaries are low, thus making it necessary for them to work part-time to fend for their families. Besides, football clubs are unable to nurture any core and loyal supporters. This also explains why there are so few spectators. What is more, unlike their foreign counterparts, Hong Kong football clubs do not have any home grounds for training. And, it must of course be pointed out that the Government's lack of commitment to the long-term development of local football is also a reason for the stagnation of the sport over the past two decades or so.

For this reason, the DAB is in strong support of Mrs Sophie LEUNG's motion on "promoting the development of local football". We maintain that since football has had a long history of development in Hong Kong and is well liked by the community, we should capitalize on these favourable conditions and actively promote the development of football, so that this sport can be brought back to the right track and regain its past glamour. Therefore, I have endeavoured to put forward my amendments to the motion.

The promotion of football must start with the training of young players. So far, very scant efforts have been made in this respect. The District Football Teams Training Scheme has been put in place to provide football training to youngsters aged between 16 and 20, but it is far less appealing than the training programmes run by certain renowned football clubs. I understand that some famous foreign football clubs have drawn up plans to establish football academies in Hong Kong. For example, last month, Kitchee Football Team announced its co-operation with Barcelona, a top Spanish Primera Division football club, which would see the establishment in Hong Kong Barcelona's first football school in South East Asia. The football school is intended for children aged between six and 11, and one of its special features will be the introduction of the training system adopted by the present Barcelona youth football training school. In the longer-term, Hong Kong trainees with outstanding performance may even be recruited as a professional player by Barcelona A. If the plan works out, it will give very great encouragement to young football enthusiasts not only in Hong Kong but also in the rest of Asia, I believe. I therefore advise the Government to actively encourage famous overseas football clubs to set up football schools in Hong Kong, so as to make up for our inadequate youth football training.

In recent years, we have seen the successful promotion of some Third Division football teams in the district to the First Division, Wofoo Tai Po being a very good example. This has aroused people's concern about the long-term development of district football teams. Most district team players are amateurs. Their participation in matches and training all require huge amounts of time. However, owing to tight funding, it is very difficult for district football teams to induce young people to give up their studies or jobs in order to participate whole-heartedly in the sport.

District Councils admittedly provide funding to district football teams, but the amounts are very small. In 2007-2008, for example, the amounts of such funding ranged from merely \$50,000 to \$200,000, which were simply of no help to the survival of district football teams. Even though the authorities now allow district football teams to use their natural turf pitches for training purposes before the commencement of league matches, this is just of very little help to those teams. The DAB therefore suggests that thoughts should be given to the provision of more subsidy to local football teams with outstanding performance and the formulation of a long-term subsidy policy. Currently, the authorities allocate only \$3 million or so for subsidizing district football teams in the whole of Hong Kong. We propose to increase the subsidy to at least \$10 million, with a view to assisting the development of district football teams.

Football enthusiasts must devote the prime years of their youth to the sport, and they must often give up their studies or jobs for the sake of concentration. They simply do not have too much time to plan for their future. So, when they retire, they will find that simply with their experience in football, they can hardly find any other prospects in society. Some well-developed football clubs in other countries will therefore make post-retirement plans for their professional players. But the professional players in Hong Kong do not enjoy such protection. I therefore hope that the authorities will not overlook the educational needs of young football players. They should follow the example of the various university admission schemes for elite athletes and recommend young football players with outstanding performance for admission to tertiary institutions, so as to help them broaden their prospects after retirement, rid them of any worries about their future prospects and enable them to serve their football teams whole-heartedly.

Another problem that has also hindered the development of football in Hong Kong is the shortage of quality football pitches. Natural turf pitches can

no doubt offer greater physical protection to players, but in times of rainy days, natural turf pitches will be turned into muddy grounds, in which case it will be very difficult for players to give full play to their skills and abilities. In recent years, the Leisure and Cultural Services Department has converted natural turf pitches into third-generation artificial turf pitches one by one. Artificial turf pitches face a less serious depletion problem than natural turf pitches. And they are more weather resistant. Moreover, they are more environment-friendly as they do not require the use of insecticides, herbicides and chemical fertilizers. I therefore propose that the authorities should expeditiously convert football pitches into artificial turf pitches and improve the facilities of existing football pitches (such as the changing rooms), so that players can receive training on better sports fields.

In the past, live radio broadcast of local football matches were usually hosted by quality football commentators. This could attract a group of loyal audiences because such broadcast could let them feel the atmosphere of the match. And, they could also know the match result immediately without having to wait until newscasts. Actually, live radio and television broadcast can both help the public cultivate an interest in watching football matches. We therefore hope that the authorities can act as a go-between and encourage radio and television broadcasters in Hong Kong to offer live broadcast of football matches, so as to cultivate people's interest in watching local and overseas matches and nurture some outstanding football commentators like the one who has recently passed away, and who often remarked, "The ball is round."

Football is a very popular sport in Hong Kong. But if we are to revitalize this sport and restore its past glamour, we cannot rely solely on players and enthusiastic football club owners. The Government must also render strong support. It is only in this way that Hong Kong football can scale new heights and regain its status as the "Kingdom of Football" in Asia.

With these remarks, Deputy President, I urge Members to support my amendment.

DR YEUNG SUM (in Cantonese): Deputy President, this is probably the first time that this Council has conducted a debate on the development of football. I have to thank Mr CHIM Pui-chung of this Council. I am a football buff. Those years, when I watched football matches, I could see Mr CHIM Pui-chung

leading the Seiko Football Club in clinching a lot of splendid results. If Mr CHIM Pui-chung makes a come-back to the football arena, this may be highly beneficial to football. I have to thank you, Mr CHIM Pui-chung.

Deputy President, I believe that many football fans who grew up between the 1960s and 1980s are just like me in recalling the glorious days of local football in the past on the one hand, just in the way in which I praised Mr CHIM Pui-chung just now, and feeling greatly disappointed by the development of football in the past decade or so on the other. I hope the Secretary could give audience to our views. In fact, football is the most popular sport in Hong Kong, not to mention in the whole world. There are many young people who love football but most students will pursue further academic studies. I teach in the University of Hong Kong and know that each year, only 18% of students can get into universities in Hong Kong. In other words, 80% of secondary school students cannot study in local universities. If they are very rich, they can study overseas. Therefore, Deputy President, if the development of football is desirable, a good career pathway can be made available to students talented in playing football.

Football fans of the older generation will surely remember that at an early stage, football in Hong Kong was at the forefront in Asia and was even far superior to Korea and Japan at that time. At that time, we watched the matches in the Hong Kong Stadium and the Hong Kong team could beat the Korean and Japanese teams easily. Moreover, the Japanese team was what we called "fair game", that is, one could easily take several bites of it and it would make a delicious meal. At that time, the league games in Hong Kong could even attract some of the former national footballers of some European countries — Mr CHIM also knows this — and football players of champion league games were also willing to come to Hong Kong to play matches.

With such higher standards in league games, many football players with outstanding skills appeared in Hong Kong at that time and we still remember them very well. For example, at the very early stage, there was LEE Wai-tong. Later on, there were the "Three Aces" of YIU Chak-Yin, HO Cheung-yau and WONG Chi-keung. In the 1960s and 1970s, there were CHEUNG Chi-doy, WONG Man-wai, WU Kwok-hung and CHOW Chee-keong. At that time, the Hong Kong team also had the ability to contest with other strong Asian teams, including those from Korea, Japan and even China. One of the best known matches was the one that took place on 19 May 1985 in Beijing, in which KU

Kam-fai scored the winning goal of the match with a direct hit, thus enabling the Hong Kong team to beat the China national football team in the second round of Asian Zone qualifier for the World Cup. I remember that this piece of news was very stunning at that time.

In the past decade or so, the development of football at other places in Asia has far surpassed that in Hong Kong. In the early 1990s, Japan began to invest a great deal of resources to promote professional league and youth training. It is reputed as the football kingdom in Asia that has made the most progress in the past decade or so. In 2002, South Korea even won the third runner-up in the World Cup — Deputy President, it won the third runner-up. In the past decade, Singapore, our nearby neighbour, also began to make great efforts to develop football, (and now, the Hong Kong team does not compare favourably with the Singaporean team) by actively attracting quality football players to take part in the league games there, so as to raise their standard.

In contrast, if we look at the past decade, the league games in Hong Kong have been in constant decline and they have degraded into semi-professional and even amateurish games. Most of the football players took part as part-time players and their pay ranges from several thousand dollars to over \$10,000. With such low pay and the lack of prospect, most talented young people are unwilling to be committed to the football sector. At the same time, the decline of local league games also affects youth training. As most football clubs can barely sustain their operation, it is difficult for them to commit any more resources to providing youth training. Meanwhile, the Hong Kong Football Association (HKFA) is also unable to offer matches of ideal standards and training to outstanding young football players.

At present, there are more than 4 300 registered football players in Hong Kong but less than 400 of them are contract ones. The remainder of about 4 000 players are amateur players. However, Deputy President, the matches that we organize are professional ones. The proportion of local registered football players to the population is 1:1 500, whereas in Japan, the proportion of football players to the population is 1:100. This means that in the population of Japan, which stands at over 100 million people, there are as many as 1 million registered football players of various age groups.

Football development in Japan in the past decade is dependent on the strong support of the Japanese Government and the resources committed to

developing leagues and training talents. I hope the Secretary can listen to this clearly. When organizing the J-League, the Japanese Government set aside a fund of US\$20 million to assist various participating football clubs. The Japan Football Association (JFA) also requires football teams in the champion league to have at least four youth preparatory teams of various age groups. Moreover, the youth leagues there are organized by the Ministry of Education, Culture, Sports, Science and Technology of Japan (which is akin to the Education Bureau in Hong Kong). I stress again: They are not organized by the JFA but by the Japanese Government, so it can be seen how great an importance the Government there attaches to it. Therefore, there are good reasons for Japan's achievement nowadays.

Deputy President, I believe that there are in fact three factors that determine football development and they are very simple. The first one is money, the second one is money and the third one is also money. In particular, it depends on whether the Government is willing to commit more resources to supporting football. I know the Secretary will say later that, given that there are so many types of sports in Hong Kong, if government funding is required for all of them, what should the Government do? I believe the Secretary would definitely reply in this way. However, if the Secretary replies in this way, this will definitely spell the doom for football in Hong Kong, so I call on the Secretary to give audience to our proposals. Of course, the investments may not be able to raise the standard of football significantly in the short run. However, since we find that quite a number of first division teams and even the Hong Kong team cannot have fixed training ground — as I often accompany my son in taking part in the Hong Kong youth selection games, I know that even the Hong Kong team does not have any training ground — often, they have to go through a great deal of hassle in looking for a training ground. In view of this, we cannot help but doubt how committed the SAR Government is to football.

At present, the Government trains talents through the Hong Kong Sports Institute (HKSI). However, only sports classified by the HKSI as elite sports can receive full support, including world-class coaches, training facilities, local and overseas training and competition opportunities and such comprehensive technical support as dietitians and physiotherapists. Unfortunately, of the more than \$100 million allocated by the Government to the HKSI each year, elite football players can only receive minimal financial assistance or even none at all. The reason is that it is doubtful whether football in Hong Kong can win any

trophy in Asia or qualify for World Cup Qualifiers. For this reason, football has been excluded from the elite sports.

Deputy President, I know that qualifying as an elite sport is dependent on whether a sport can clinch any prize in major international events. As I said just now, football does not stand any chance because it cannot even get anywhere in Asia and it is even no match to the Macao team. For this reason, I sincerely call on the Government to give up this kind of short-sighted thinking because the training of talents requires making investments for perhaps 10 years and even longer. If we judge only according to performance in international events, I believe it would be very difficult for local football to receive any government funding. Therefore, my amendment proposes that the Secretary and the Government consider seriously whether football can be included as an elite sport. Of course, the definition of "elite" can be dealt with flexibly so that football players with potential will be willing to be involved in elite sports and represent Hong Kong in international events.

In addition, here, I wish to stress in particular that I hope the Government can fund the day-to-day operation of the football training centre to be built in Tseung Kwan O because many coaches in the HKFA want me to raise this point in particular. Although the Hong Kong Jockey Club (HKJC) has undertaken to shoulder all the cost of building the training centre, I believe it would be difficult for the HKFA to cater for the training of football players by just relying on its resources and its revenue from venues rental in the future and operating on a self-financing basis. Therefore, I stress that the Government should actively consider allocating funds to finance the football training centre and solve the problems relating to the funds for its day-to-day operation. Since the HKJC is also concerned that it may not be able to assume the responsibility in this regard, it is necessary for the Government to do the job. If the Government can fund the day-to-day operation of the football training centre in Tseung Kwan O, it will be possible to promote youth training and provide facilities and expertise comparable to those provided by HKSI for the elite sports. Back then, Leslie SANTOS and LEE Kin-wo were both trained by the Jubilee Sports Centre.

Deputy President, the Government can also offer assistance in the development of district-based football clubs. For example, the Wofoo Tai Po Football Club I mentioned just now and the third division Shatin Football Club have both seen quite good development. Finally, in fact, Hong Kong people do not have the opportunity to watch football matches of late. Even if I have a free

football match ticket, I would not watch it because the standard is really too low. Therefore, I hope the Secretary can consider in earnest the several proposals I made just now: First, to include football as an elite sport; second, the Government should seriously consider funding the day-to-day operation of the football training centre to be built in Tseung Kwan O; and third, to build more football pitches, so that football clubs can have fixed venues for training. I hope the standard of football in Hong Kong can be raised and more football fans will go back to football pitches to watch football matches again.

Finally, I wish to take this opportunity to thank those people who have striven very hard for football for a long time in Hong Kong, including the (*The buzzer sounded*)

DEPUTY PRESIDENT (in Cantonese): Your speaking time is up.

DR YEUNG SUM (in Cantonese): coaches, football players and people interested in football. I so submit.

SECRETARY FOR HOME AFFAIRS (in Cantonese): Deputy President, I wish to thank Mrs Sophie LEUNG for moving the motion entitled "Promoting the development of local football" and other Members for their amendments.

Football is a sport for both participation and appreciation. It has always been very popular among Hong Kong people. As Members have rightly pointed out, local football did have its golden days.

In order to tie in with the development of local football, the SAR Government has been actively assisting the Hong Kong Football Association (HKFA) in the organization of different relevant programmes. For example, under the Sports Subvention Scheme, the Leisure and Cultural Services Department (LCSD) has been providing annual subsidy for the HKFA for the promotion of local football. In 2008-2009, the amount of subsidy is roughly \$7.3 million.

Since some Members have mentioned the Tai Po football team, I would like to say a few more words on it. The team is a district football team, and

after its promotion to the First Division, it has been renamed Wofoo Tai Po. The Tai Po District Council, the LCSD and the Home Affairs Department have all along been providing support to this team. To cope with the higher standards of training and match requirements, the LCSD has made arrangements for the team to have roughly 180 training sessions a year in the sports ground. And, in the 2007-2008 financial year, a sum of \$2 million was set aside for improving the hardware facilities of Tai Po Sports Ground, so as to provide Wofoo Tai Po with a better training venue. With the resource support from different sides, Wofoo Tai Po has kept up its outstanding performance since its promotion to the First Division. In the last football season, it ranked seventh in the First Division League. This season, it took a great leap and was the second runner-up. And, just last month, it won the first runner-up in the FA Cup, proving itself to be a successful example of district football teams.

Many players of Wofoo Tai Po are from Tai Po, so they all have a very strong sense of belonging to their community. Apart from training and participation in matches, the players are also keen on community affairs, such as visits to the homes for the aged in the district, having regular friendly matches with "nocturnal" youth and attending district cleaning and fight-crime activities. They have won the praises of residents of the community. In return, residents of the community voluntarily organize cheering teams for the football team in every match. The atmosphere is always heated, and fans are enthusiastic. This has increased community solidarity and cohesion.

The promotion of the overall development of sports in Hong Kong has always been a major task of the Home Affairs Bureau. I long forward to hearing more advice from Members, and I shall speak again at the conclusion of this debate.

Thank you, Deputy President.

MS AUDREY EU (in Cantonese): Some people may ask why today's motion was not proposed by a Member from the sports sector but by Mrs Sophie LEUNG, who is from the textiles and garment sector. In fact, this more or less reflects the development of football in Hong Kong because all along, football in Hong Kong has relied on enthusiasts of football, who are commonly called "football bosses" to spend money to organize football teams, so the phenomenon of so-called "factory owners football" has occurred. For this reason, we can

see that many football teams have factories or brand names as their namesakes. Many people in the textiles and garment industry also support football teams very much, so Members should now understand why today's motion was proposed by Mrs Sophie LEUNG.

Deputy President, just now, Dr YEUNG Sum said in his speech that the Government had to provide financial support. Deputy President, I have never held that the Government can get everything done on its own. However, I think that regarding football, the Government really has to play a certain role, mainly in such areas as basic facilities, publicity, training, improving the investment environment and formulating a comprehensive policy on sports.

Deputy President, I am holding this ticket for a football match not because this is a football match between the Citizen Football Club and Wofoo Tai Po Football Club — Deputy President, although I am a member of the Civic Party and I also care a lot about the development of this football club called the Citizen Football Club, both of which have the same Chinese name "公民", the latter does not represent the former in football matches — but because this is a ticket for the FA Cup Final of this year. Members can see that even now, tickets sold at the Hong Kong Stadium are still being sold manually instead of electronically, just like the way it was three or four decades ago. This also manifests the indifferent attitude of the Government towards the complementary facilities for local football in the course of the past three or four decades. Local football began to go professional three or four decades ago. Although the ticket sales outlets included the Hong Kong Stadium and the Mong Kok Stadium at Flower Market Road, as Hong Kong people mainly lived in the urban area in those days, these outlets were conveniently located. However, if things stay this way nowadays, they are very inconvenient to residents in the New Territories, Tai Po, Tuen Mun and even Ap Lei Chau.

In that case, is it possible to put in place an Internet-based ticketing system for events held at sports venues? We can see that at present, tickets for events to be held at the Hong Kong Coliseum in Hung Hom and the Queen Elizabeth Stadium in Wan Chai can be purchased through the URBTIX service and the Leisure and Cultural Services Department (LCSD) also has a system called the Leisure Link. However, they are only designed for the booking of venues and applications for joining community activities such as swimming and dancing classes. Regarding football matches, why are things still so backward that tickets are not sold through the Internet?

Deputy President, another problem with basic facilities is that the venues suitable for holding professional football matches are inadequate and, Deputy President, this is particularly so in respect of district football matches. Last year, I asked a question seeking a written reply about whether or not district football teams could hold matches in local soccer pitches. However, it is regrettable that suitable venues are not always available in all 18 districts in Hong Kong. Many Members mentioned the Wofoo Tai Po Football Club just now. However, Deputy President, we can see that even though the Wofoo Tai Po Football Club was promoted to the First Division professional football league — the Secretary said in his speech just now that a great deal of support had been provided — since the goals of the Tai Po Sports Ground are too low and the turf is too hard, it is not possible to hold first-division matches there. The Government always boasts itself as the world city but it seems that in the past two years, the LCSD has been totally helpless in dealing with only a piece of turf. In view of this, may I ask if nothing could really be done or if it just does not care about this problem?

In addition, many Honourable colleagues also mentioned that in the past, the Radio Television Hong Kong (RTHK) would make live broadcasts of football matches. If it was a full house, it would broadcast the whole match live, otherwise, it would only broadcast the second half of the game live. However, since the expenditure of the RTHK was reduced, nowadays, it does not even make live broadcasts of horse races, still less football. For this reason, many members of the public may not know that football matches will be held, so how possibly can this situation boost the development of football?

Just now, some Honourable colleagues also mentioned that the policy on sports practised by the Government now was a highly snobbish policy of elite sports. The allocation of resources depends on whether medals have ever been won and whether the chance of winning medals exists in a certain sport. For this reason, football is not classified as an elite sport and the funding for it is minimal. Of course, this makes it impossible for local football to develop.

We can see that in fact, all along, many problems are attributable to the lack of assistance in the form of investment. In view of this, is it possible for the Hong Kong Jockey Club to consider allocating some of its revenue from betting to assisting the development of local football? In addition, since the Government has launched so many migrant investment schemes but they are generally related to property and finance, can it consider launching investment schemes related to culture, sports, social enterprises or social development?

In fact, in the final analysis, today's motion shines the limelight on a blind spot in the Government's policy on sports. The Government's existing policy on sports only emphasizes the ability to win medals but does not promote sports that are helpful to all members of the public. It only encourages us to go jogging, do morning exercises or go to the country parks for the sake of our health. However, on some national sports, such as those that the Secretary described as allowing public participation and appreciation and policies pertaining to the middle class, the Government has left a vacuum.

In fact, as a kind of national education, football can indeed be elevating. We can see that in fact, Governments at a lot of places use football matches or football as a sport to promote the cohesion of the people in society. Therefore, I hope that the Government can help them in this regard. I remember that several years ago, some vagabonds in Hong Kong — I do not mean the football players known as the rangers, rather, they are real vagabonds — wanted to go to the United Kingdom to play in a match. However, since they could not get their passports and encountered some entry problems, I had to write to the British Consulate-General for them. In the end, they were able to go. That was very important both to their outlook on life and their self-confidence.

In addition, on education, football can also help students cultivate a sense of responsibility and also the magnanimity not to feel conceited when winning and not to lose heart when losing. Therefore, I hope that the Government can offer assistance in investing in football and in education on football. Deputy President, I also wish to say in passing that it is not just men's football but also women's football that has to be promoted and funded. Thank you, Deputy President.

MR SIN CHUNG-KAI (in Cantonese): Deputy President, I am not a football fanatic, nor am I like Mr CHIM Pui-chung, who was such a successful organizer of a football club. And, I rarely watch any football matches either. However, my colleagues like to watch football matches at least several nights a week, if not every night. Now, I want to say a few words for some children. In fact, I believe that football is the favourite sport of countless children in Hong Kong. But they are faced with many problems. Why did some youngsters play football while wearing flip-flops, as mentioned by Mrs Sophie LEUNG? Well, if Members want to buy any soccer boots in Mong Kok, they will find that it is not easy for them to buy any, because there is not a great demand for soccer

boots. Why is the demand so small? It is because there is a shortage of natural turf pitches in Hong Kong. People will need soccer boots only when they play on natural turf pitches. What shoes did Hong Kong people wear when playing football in the past? They wore plimsolls or flip-flops. Speaking of plimsolls, I hope Members will also know "ginger grinding", which means abrasion of the sole.

Actually, in order to promote the development of football, to begin with, (I must say that I am deeply sorry because I was once a member of the Regional Council.) I think that we can promote the development of football only if Hong Kong can be like Sun Wukong and magically creates eight or 10 natural turf pitches for immediate use. If not, it will be useless to increase the funding from \$3 million to \$10 million or even \$20 million, because nothing can be possible without any pitches. When there are pitches, children can play football there. When children have chances of playing football, there will naturally be competition and therefore progress. All boils down to this problem in the final analysis.

I am a member of the Building Committee under the Housing Authority. Whenever any open grounds come up in the meeting agenda of the Committee, for example, if two basketball courts are brought up for discussions, I will hasten to ask whether the two basketball courts can be combined to form a football pitch. If Members look at the basketball courts and football pitches all over Hong Kong, especially the latter, they will certainly be amazed. Very often, four to six teams are found playing on the same pitch at the same time. There is not just one match between two teams. Rather, there are concurrently two matches, each involving two teams. And, all these matches take place all at the same time on the same pitch. That is why there are usually two rolling footballs on the same pitch. The problem is largely about the shortage of football pitches — natural turf pitches, concrete pitches and artificial turf pitches alike. I do not agree to Miss CHOY So-yuk's remarks just now; I do not think that too many artificial turf pitches should be constructed. Third-generation artificial turf may be better, but I have not tried it before. But I still believe that artificial turf and natural turf must be different in some ways. Good players like Dr YEUNG Sum must learn how to slide-tackle others. How can anyone attempt to slide-tackle on an artificial turf pitch? No, that is not possible. If players cannot attain a certain level, they simply cannot compete in any international matches. And, a player who does not know how to slide-tackle will not know how to block-tackle either.

Deputy President, in this connection, I wish to ask the Leisure and Cultural Services Department and the Government whether there is any room for development in our future planning. Wofoo Tai Po is a good example. The Government says that this team has been doing well. Then, why does it not also construct a natural turf pitch in each district such as Tsuen Wan, Tuen Mun and Yuen Long? We must increase the number of pitches drastically before talking about any development. I also wish to respond to Audrey EU's remarks — she has just left the Chamber. She criticized that there was no on-line purchase of football match tickets now. I am naturally in strong support of the idea. But I must add that there are still many practical factors to be considered. For one thing, football fans will not bother about the purchase of tickets. Tickets will certainly be available at match venues, so what is the use of advance booking? And, generally speaking, football matches rarely have a full house. They are not like concerts. Concert-goers must book a ticket several weeks in advance, or else they will be disappointed. There may be a full house only for matches with foreign teams or those held on the second and third days of the Lunar New Year. All these matches aside, there will be no need for advance booking. We can always gain admission at the match time and venue.

Deputy President, I agree that it is good to promote the development of district football. But in order to do so, the successful experience of Wofoo Tai Po must be applied in all different districts. I sincerely hope that the Leisure and Cultural Services Department and the Planning Department can construct at least one natural turf pitch in each district within the next eight to 10 years, so as to provide training venues. Why keep talking about 180 hours? I believe that the utilization rates of football pitches with good facilities will certainly be high. It is only in this way that basic training can be provided. All this is the aspiration of some children. They all want to play football because they are not tall enough for playing basketball. But playing football will give them great fun. I naturally hope that Mrs Sophie LEUNG can realize her dream of establishing something like the English Premier League in Hong Kong. But I do not have such a lofty ambition. My only hope is that children can participate in this sport.

If Members look at Hong Kong children's health indexes, they will see that Hong Kong children are, first, mostly fat. Second, they seldom exercise and their BMI levels are high. The reason is that they are unable to participate in the sports they like. Many of them like to play football on pitches. I am no

football fanatic, but my two sons are members of their school teams, and they play three matches a week. That is why their BMI levels are lower than 20. Football is a sport that can make Hong Kong people healthier.

With these remarks, I support the motion.

MR WONG YUNG-KAN (in Cantonese): Deputy President, football is quite a popular sport with great influence worldwide. The excellent performance of football teams and the ardour of football fans have embarked football on a course that is associated with advertisements. No matter if the image of football players is positive or not, it still triggers responses from young people, that is, they will follow the examples set by football players. At a grander level, as some Members pointed out, this image can promote the cohesion of a country and at a lesser level, it can affect the mental development of young people. As we all know, in the 1960s and 1970s, Hong Kong was famed as "the football kingdom in Asia", and "Uncle Chim" also made a lot of efforts and contribution. During the matches of the first division, the red flag was often hoisted, signifying a full-house. Even if one wanted to get a seat at the upper level, it would be impossible to get a ticket. However, such scenes were already a thing of the past and it can even be said that this has become a collective memory of Hong Kong people.

Now, and since 2000 in particular, the number of participating teams in the first division has decreased from over 10 teams in the past to a new low of just eight teams and the numbers of spectators in football matches have even hit rock bottom. In some instances, there were just one or two dozen spectators. Some football fans even remarked in exasperation that "football in Hong Kong is now in decline".

The Government has also noticed such a situation. For this reason, in 2002, through the Hong Kong Football Association, the Home Affairs Bureau implemented the policy of "localization and rejuvenation" by beckoning to the district councils in the 18 districts. The Wofoo Tai Po Football Club was also established at this time. At that time, some of its team members were the "young night drifters" in my constituency recommended by me, so they were all in their teens or twenties and buffs who took part in district football matches or mini-soccer matches. As a result, they were recommended to the football team under the Tai Po District Council and a team was formed. After several years,

not only did they achieve good results, just as the Chief Executive, Mr Donald TSANG, pointed out when meeting them, the Tai Po Football Club was not just simply a football team but it could also save people because it had saved many marginal youths and young night drifters, so that they could take up normal work.

Although the Secretary said just now that the Tai Po Football Club had achieved good results this year and won first runner-up and third runner-up this season, I wish to tell the Secretary that if they cannot raise enough funds, they will have to retire at this glorious moment because they have no funds. It takes money to establish a first-division football team and without money, nothing can be done. No matter how hard District Officers and all the colleagues in the District Council tried, it was difficult to raise adequate funds. Even if a football team incurs only a very low cost, it may find itself in great difficulty after going this far. Therefore, without any funds, it is very difficult for first-division football teams to survive.

In view of this, I hope the Government can find ways to help them in this regard and they include the formulation of a clear policy to assist young football players in their teens and twenties who have now joined football teams and delivered good performance and to recommend them for admission into universities or tertiary institutions, so that they will not experience a lack of prospect after retirement. For this reason, I believe the Government has the responsibility to help them properly in this regard.

Another point that I wish to discuss is that in letting venues to first division football teams, the Government levies charges from them. Since the authorities have spent so much money, why not consider reducing or waiving the rental for venues? Football teams have complained to me that at present, the rental for venues amounts to some \$20,000 to \$30,000. If the number of spectators is insufficient, the two football teams have to chip in money to cover this expense. If they do not have enough money, it will be necessary for the football club owner to make up for the shortfall. If even the football club owner does not have the money, one just does not know who will pay. I hope the Government can do something about the facilities of the Leisure and Cultural Services Department.

I also agree with the comments of various Honourable colleagues that at present, in some areas, football matches can be a boost to football fans who

watch matches. Take the Wofoo Tai Po Football Club for example, at first, no one ever mentioned it. However, after it had tied with South China in a district match in Tai Po, its performance immediately aroused a commotion. Therefore, its supporters also organized a fan club to cheer the football team in Dongguan, thus making players in the team very happy. I hope the Government can do more in this regard to revitalize football in Hong Kong, for example, by considering doing more practical work in the Hong Kong Sports Institute and even in the future football training base in Tseung Kwan O, instead of thinking that since the Government has already provided support, it can leave these teams to fend for themselves. Furthermore, it has to see whether the degree of support is adequate.

The Government should establish a working group to examine anew how it can boost and upgrade the football clubs of the 18 districts and perhaps other outstanding football clubs as well. I believe it is duty-bound for the Government to do so. In addition, on financial support, as Honourable colleagues have pointed out, the Government has not provided any financial support. Even if it has, the amount was very small and one has to rely on the district councils or everyone to help raise money. I believe the Government should consider allocating not just \$7 million but also an additional \$70 million to various districts for organizing football teams. What problems will there be? The authorities want to work for the welfare of young people and society, so why can they not consider allocating more money for the organization of football teams?

Deputy President, I so submit.

MR WONG KWOK-HING (in Cantonese): Deputy President, there are three more days to go before the start of the quadrennial Euro 2008. Many football buffs in Hong Kong are now busy making preparations in anticipation of this major event. Broadcasting organizations, restaurants and pubs have already launched various kinds of promotion to attract football buffs. The reason for their willingness to spend so much money on promotion is that football is indeed a more popular sport in Hong Kong. Apart from the fact that many members of the public like to play football, watching football matches is also the interest of many members of the public.

Deputy President, the development of football has quite a long history in Hong Kong. Several decades ago, Hong Kong was even famed as the "football kingdom of the Far East". In 1977 and 1985, the Hong Kong team even achieved good results in the FIFA World Cup Qualifiers. On 19 May 1985, the Hong Kong team was playing in China and beat the national team by 2 to 1. This is still something that football buffs of the older generation often recount with pleasure. Unfortunately, from the 1990s onwards, football development in Hong Kong has been in decline, and be it the Hong Kong team or football clubs in Hong Kong, their performance in matches in the world and in Asia left much to be desired. In addition, with the advances in technology, many television stations prefer to broadcast overseas football matches with high professional standards such as the English Premier League, thus indirectly reducing the number of supporters of local football.

On another front, mini-soccer also used to be quite popular in the 1970s in Hong Kong and the football matches held in local communities were also very well-received. At that time, although the matches were held only in seven-a-side soccer pitches in local communities, they provided training opportunities for young people, thus feeding the development of local football as many well-known football players made their debut in mini-soccer. At the same time, this kind of football matches attracted quite a number of spectators and produced more football buffs and supporters for the football sector. In recent years, although the Hong Kong Football Association (HKFA) has organized a series of youth football development programmes including the Youth Football Promotion Scheme during the summer vacations each year to encourage young people to take part in the sport at their leisure, these youth football development programmes would often end with the end of the summer vacations, so in the long run, this is not an ideal approach for grooming talents. As the saying goes, "practice makes perfect", football skills cannot be all learned in the short span of two to three months and youth training must be ongoing, so it is necessary for the Home Affairs Bureau, the HKFA and various football clubs to do more in this regard.

Deputy President, at present, the organization of professional football leagues at many overseas places has yielded results. In such faraway places as the United Kingdom, France, Spain, Italy and Germany in Europe, of course, there are football clubs that we are all familiar with. In recent years, in Japan, South Korea and China in Asia, reference has also been made to overseas

experience in promoting professional football leagues. However, the very first place in East Asia that promoted professional football was none other than Hong Kong. Why can we not make further achievements in promoting professional football leagues? In promoting professional football leagues, the countries aforementioned all adopted a region-based approach and there is exactly the need for football clubs in Hong Kong to do so. Although Hong Kong is different from overseas countries in that there are many cities in the latter, Hong Kong can be divided into various districts so that football clubs can be based in these districts. On the one hand, they can then recruit and organize supporters in the district; on the other had, they can launch training programmes for young people in the district. In this way, football teams can receive support in their operation and develop over the long term.

In fact, promoting football can even bring substantial revenue to the public coffers. Take Italy as an example, its sports industry founded mainly on football yielded an annual production value of over US\$18.25 billion even in the late 1980s, thus becoming one of the 10 major industries of its economy. The sports industry of the United Kingdom also yielded an annual production value of about £6.85 billion and it surpassed those of the car manufacturing industry and tobacco industry in the United Kingdom long ago. The tax revenue that the British Government receives from the sports industry each year is £2.4 billion and this is five times the amount of investment made by the country on sports in the same year. As at the 2003-2004 match season, the gross production value of the 20 English Premier League clubs was £1.3 billion. In view of this, to a government, football is not purely a recreational activity. If the sport is developed appropriately, it can also bring huge commercial benefits to the government.

Deputy President, finally, I wish to make recommendations concerning the venues. The promotion of football has to be backed up by more turf soccer pitches instead of the existing hard surface pitches because turf soccer pitches can reduce the likelihood of sustaining injuries. Unfortunately, a news report yesterday says that originally, the Government planned to open recreational and sports venues for public use free of charge in July and August but only turf soccer pitches were excluded. I hope the Secretary will investigate whether the Leisure and Cultural Services Department has any bias against football. While the venues for other ball games will be available for use free of charge, why will soccer pitches not be? Is doing so designed to test how much resolve the Government has in promoting the development of local football? Even in the

case of hard surface soccer pitches, often, they are not used for football matches. Take the six soccer pitches in Victoria Park as an example, for half of the time in a year, they are not used for football matches but for other kinds of activities. This has fallen far short of the expectation of football lovers. For this reason, I hope the Government will redouble its efforts involving the venues and formulate new plans.

DEPUTY PRESIDENT (in Cantonese): Your speaking time is up.

MR JEFFREY LAM (in Cantonese): Deputy President, in fact, Hong Kong people love to watch football matches and a lot of people also like to play football. According to our rough estimate, the number of people who play football in Hong Kong stands at over 200 000. The Legislative Council also has a football team and earlier on, it had a friendly match with a team of consul-generals. In the end, we won by the score of 6 to 4. There were a total of 10 scores, so it can be imagined how the match was closely contested. Our goal keeper, Prof Patrick LAU, often jumped this way or that way to ward off the ball. As a result, he was injured in action and in the end, he had to stay in the hospital for one night. Luckily, it was nothing serious and he only had a dark patch like a panda on his eye for a week. I hope Prof LAU can have the opportunity to take a lesson or two from the current first division players in Hong Kong. I believe the General Secretary of the Hong Kong Football Association will also be happy to make the arrangement.

Perhaps due to the fact that football is a very popular topic of late and the charm of football is really irresistible, even in the latest series of publicity on health care financing, the theme of playing football is also adopted. Headed by Secretary York CHOW, many celebrities took up acting. However, I learnt that in fact, some of these people did not really know how to play football, so it looked as though they were playing a sham game and they indeed aroused such suspicions.

Deputy President, the Government has the best of intentions but there is still no knowing whether it can move the audience. However, if the authorities use the stamina they displayed in promoting health care financing to promote and support football, I believe local football will enter another glorious phase.

I am not going to talk about other things. To take the Hong Kong East Asia Games training team for an example, this time, it went to Croatia for training and played in four matches there. This arrangement was possible only with the support and sponsorship of people who care about football. As far as we know, such overseas training was rare for the Hong Kong football team in recent years. I believe many football players and football teams may not be able to get this opportunity. I hope they will get more such opportunities in the future.

In view of this, is it possible for the authorities to give a helping hand in this regard? Examples include making liaisons or more flexible arrangements for young football players in attending classes or sitting for examinations and even helping them look for sponsors, so that various parties can finance them.

Just now, Sophie LEUNG also mentioned that in fact, there were many problems in grooming young football players. Apart from the problems mentioned just now, professional development for the entire team, including the players, coaches and managers, and the establishment of career paths for them are also very important. This is because not everyone is like David BECKHAM, who could earn billions of dollars and will never be able to use all the money even after retirement. If the issue of the living of local football players after retirement is not dealt with properly, it will be difficult to attract young people to join the rank of football players, so it is necessary for the authorities to give a hand so that they can have better prospects.

For example, after outstanding football players have retired, is it possible to accord them priority in recommending them for admission to tertiary institutions, so that they can have further career development by pursuing further studies? For example, the outstanding table-tennis player, DENG Yaping, was recommended for admission to the Tsinghua University after retirement as an athlete and is now serving as the vice-minister of the Olympic Village in Beijing, so it can be seen that the chances of athletes joining the ranks of coaches can be enhanced by combining the experience they gained as athletes in their past professional career with appropriate retraining.

In addition, apart from identifying suitable coaches elsewhere, we should also identify and train local coaches with potential. At the same time, we

should also assist the football sector in formulating a clear promotional pathway for coaches and managers, so that they can play a more important role in the sports management profession. I believe only in this way will more quality people be attracted to join the football sector.

Deputy President, I so submit.

MR ALBERT CHAN (in Cantonese): Deputy President, I am very grateful to Mrs Sophie LEUNG for proposing this motion today. However, I find it lamentable that this issue has to be debated in the Legislative Council. I am already disconcerted to find the wife of the Chairman of the Hong Kong Football Association (HKFA) propose such a motion. Furthermore, the representative of the football and sports sectors in the Legislative Council cum the President of the HKFA is absent today. Given such a combination, how can there be any future for football in Hong Kong?

To have Members debate how to promote local football is also one of the seven sins I pointed out when criticizing Hong Kong's sports sector, namely, to have non-professionals leading professionals. How many Members know about the organizational structure of football? How many Members know the actual situation and problems relating to the present gloom of the football sector? Of course, Members read a lot of newspapers and may occasionally learn about some of the issues. However, it is by no means possible to truly promote football in Hong Kong just by passing this motion in this Council today.

Since the 1990s, I have raised the general problems relating to the sports sector in Hong Kong in the various panels and committees of this Council. I have also spelt out on a number of occasions the seven sins of the sports sector. These seven sins can also be found in the HKFA. The seven sins that I spelt out in the past include bureaucratic red tapes of the sports associations, the abuse of power by some members for personal benefits, the black-box operation of the sports associations, non-professionals leading professionals, nepotism, back-room deals and the ageing of leadership. I have also repeatedly said in the meetings of various panels and committees that, taking football as an example, we should take a look at mighty football nations overseas and see who the people leading regional football organizations are. In Germany, the leader is Franz BECKENBAUER, nicknamed *der Kaiser* (the emperor); in the past, Michel

PLATINI of France was the one who led the French Football Federation before joining a global organization.

Of course, there are many people in the industrial and business sectors who are enthusiastic about football. However, in contrast with mighty football nations overseas, let us see who the people leading Hong Kong's football circle are. Of course, I certainly have no doubt about their sincerity, nor do I doubt the sincerity of Madam HKFA who proposed this motion today. I have total respect for her because I have discussed many issues relating to football with her. Several weeks ago, I talked with her about the extremely humiliating and poor treatment that the Hong Kong football team received when taking part in a football match overseas. As a result, the team lost abysmally on that occasion. On learning this, our Madam HKFA immediately made a call to deal with the issue, so I absolutely agree that she has sincerity.

However, in order to reform the football sector, the problems cannot be rectified or ameliorated solely by relying on small flies like us to have chit chats with Madam HKFA since this is a problem involving the entire structure. It is not in the HKFA but in the Government that the core of the organizational problem and the main culprit can be found. It is the Government that has created the confusion in the organization of the present football sector and it is the Government that condones the existence of these seven sins.

Just now, Mrs Sophie LEUNG has given me a joint letter from several first division football clubs. I also agree with most of the comments in the letter but there is a point mentioned therein that shows a misunderstanding of the issue, that is, the point about the limited land and the limited number of venues in Hong Kong. However, this is not the actual situation. When compared with Brazil or any other mighty football nations, there are definitely a lot more football venues in Hong Kong than there are in many other mighty football nations. Therefore, this is not a problem of the shortage of venues but of complementary measures like management and organization.

The present situation is that there is an imbalance in complementary measures. The Leisure and Cultural Services Department (LCSD) is entirely led by technical bureaucrats and it has not offered assistance in the promotion of football in any way. Many football buffs and football lovers cannot obtain any resources or venue management to help them promote football. In order to promote football training, one has to beg for favours like begging a sugar-daddy

before one can get a venue from the LCSD to carry out training for three months and there is no telling whether one can go on doing so after three months. As such, how can football be promoted? It takes passion to truly promote a sport. One must be devoted to the relevant activity; moreover, one must be prepared to make sacrifices. Improvements cannot be made to football simply by having a meal outside work. With this kind of attitude, it is definitely impossible to promote the development of football in Hong Kong.

However, even if one has passion, what then? Very often, it will be stifled by bureaucratic red tape. A venue manager of the LCSD is paid tens of thousands of dollars per month but I wonder how many of the best local football players can earn a monthly salary of tens of thousands dollars. The greatest problem with football in Hong Kong lies in the fact that a full-time football player has no career prospect. Years ago, I have already proposed that in order to give football in Hong Kong its future, the foremost thing is to ensure that football players can make a living.

Just now, WONG Yung-kan talked about the Wofoo Tai Po Football Club. However, the Wofoo Tai Po Football Club is a "semi-miracle" and that will not last. Many of its football players can only get a travelling allowance of \$4,000 per month. They must have their own jobs, for example, working as drivers and they can only practise after work. They will not be able to hold out for a long time, perhaps just for one or two years. When they reach the age of 25 or 26, their physical strength will decline, not allowing them to hold out anymore. They will not be like ZIDANE, who could still deliver tip-top performance in his football career at the age of 31 or 32. This is not possible. If the Government wants to promote football, it must commit resources. In order to make football in Hong Kong develop into maturity and give it a chance to revive, the livelihood of football players must be safeguarded.

Therefore, I suggest that the Government should ask some consortia to take corresponding measures and let each consortium take charge of a football team, so that a football player can become an attachment in an organization under a consortium. They can be a watchman, a technician or a deputy manager. As long as they are offered career positions, they can then practise full time. The Government should take the lead and government departments should let them commit themselves full time to football, so as to revive football. Otherwise, even the passage of this motion today will not serve to improve the prospect of football.

MR MARTIN LEE (in Cantonese): Deputy President, I have a joint letter to Legislative Council Members on hand from First Division football teams in Hong Kong such as South China, Citizen, Tai Po, Eastern, Kitchee, Happy Valley and Sun Hei. It touches upon the serious problem of a shortage and the high charges of football pitches, giving some First Division players no chance to play football in the Hong Kong Stadium. What a joke. I hope among Legislative Council Members, Mr Timothy FOK is actually as influential as Mrs Sophie LEUNG who proposed the motion, but it is a pity that he some Members from his party are present, (*Laughter*) I hope they would hear us and convey our views to him later.

Deputy President, I have been discussing about one thing for many years and I cannot remember when I started doing so. There are active Hong Kong football team players and young football players on the public gallery now. I recall that during my football commentary at TVB on the 1994 World Cup Final with Italy versus Brazil, Italian player BAGGIO kicked the ball a little too high when the players from the two teams took turn to take penalty kicks. I observed from that match a significant problem which was also found in any other football matches all over the world, that is, the results of the matches could not be revised even though the referees made misjudgments.

Back in the 1950s when I was a little boy, there was no television coverage and only the radio (Redifussion Radio) conducted live broadcast of the great match between South China and the Kowloon Motor Bus (KMB). There was a referee on the pitch and a commentator on the stand. The commentator was at a more advantageous position but no one was closer to the ball than the referee. Nobody sitting so far away dared to say a referee was wrong even if he made a misjudgment.

That is not the case today for the audiences can watch football matches on television. The referee might not see whether the forward had intentionally "dived" in order to be awarded a penalty kick or he had really tripped over the defender. However, hundreds of millions of football fans in front of the television saw everything and they saw from different angles in a few seconds' time that the player had intentionally "dived", yet, he was awarded a penalty kick and he kicked the ball into the goal, so his team won the game 1 to 0 at the end. We pointed out at the time that why the matter could not be handled in a more advanced way by allowing the referee to watch replays to find out whether he had made a misjudgment. The audiences of the match might not see clearly unless there were television replays while the viewers at home could see very

clearly. That was why the referee might be scolded by his wife first thing when he went back home for being so stupid to make a misjudgment. The referee did so because he had not seen clearly. Nevertheless, it is to be regretted that the way in which such matters are handled has not changed so far.

During basketball matches at present, recordings can be played to show whether the game is over when a basketball leaves a player's hand for the last time. The same can be done with respect to tennis and rugby matches and this will soon be the case for cricket matches. I also recall that during the World Cup Final in 2006, ZIDANE hit with his head a player from the opposing team making him fall just before the end of the match. Not even one referee had seen what actually happened and he was finally given a red card after much confusion. In fact, a decision should only be made on the basis of the recordings.

I really hope the Federation of International Football Association (FIFA) can deal with the problem as soon as possible so that football fans all over the world, especially the players in the pitch they have been training for a long time and they may lose in a once-every-four-years World Cup or Euro match due to a misjudgment. I also worry a lot about the over prevalence of football betting at present. Have the referees actually been bribed? There will obviously be fewer chances for such misjudgments to be made if the referees know that everyone in the world can see and he can also watch replays.

I sincerely hope that Mrs Sophie LEUNG would convey my views to those concerned and that the good friends of Mr Timothy FOK would convey my views to him. And, when we watch World Cup matches again in the near future, the referees could similarly watch replays at once like us to avoid making misjudgments. Thank you, Deputy President.

DEPUTY PRESIDENT (in Cantonese): Mr Albert CHAN, is there a point of order?

MR ALBERT CHAN (in Cantonese): Did Mr Martin LEE's remarks just now have anything to do with promoting the development of local football?

DEPUTY PRESIDENT (in Cantonese): You should clarify the part of your speech which has been misunderstood.

MR ALBERT CHAN (in Cantonese): Deputy President, I am seeking an elucidation by Mr Martin LEE.

DEPUTY PRESIDENT (in Cantonese): I am afraid it is too late because Mr Martin LEE has already taken a seat. Your request does not comply with the Rules of Procedure.

PROF PATRICK LAU (in Cantonese): Deputy President, I am very grateful to Mrs Sophie LEUNG for proposing this motion so that a football buff like me would have a chance to share with Members the history of football in Hong Kong and bring back our collective memory.

Concerning football, I believe those of similar age with me would certainly recall the "The Four Aces of South China" in the 1950s and 1960s, including Hong Kong's Treasure, YIU Chak-yin in football jersey No. 10, MOK Chun-wah, WONG Chi-keung and HO Cheung-yau, captain of the Hong Kong football team who was awarded the MBA medal. At that time, they represented the Chinese football team to play matches overseas and won the support of many Hong Kong people. Ordinary football buffs such as students, especially boys, even skipped classes to watch football matches.

I remember the great match between South China and KMB most vividly — Martin LEE referred to the match just now probably because we are more or less of the same age — it caused an even bigger stir than the recent match of Real Madrid in Hong Kong. There was a rush for tickets and the stand was completely full during the match. There were people all over the hillside, not only inside the stadium. As Members know, I always like to be a goalkeeper and my favourite goalkeepers are CHOW Chee-keong from Malaysia, as well as well-known KMB players such as LAU Kin-chung, PAO King-yin, WAI Fat-kim and the "tight gripper" in the early days.

I still remember Hong Kong people's football fanaticism back then. Besides showing concern for football stars, they also valued football commentators highly. We all know that LEE Wai-tong was a centre-forward representing China who had broken a net when he hit a shot. I loved to listen to his commentaries and mimic him when he was a commentator with Redifussion Radio. I would like to be a football commentator if I was not a Legislative Council Member. I tuned in to Redifussion Radio when I was small, and I used

to watch football matches and played football while listening to football commentaries at the same time.

But it is a great pity that football went downhill in the 1960s and 1970s after the eras of WU Kwok-hung and KWOK Ka-ming. Following the legalization of football betting in recent years, despite many people's zest for football, they are only concerned about matches in overseas countries and disregarded local football. There are football programmes on four to five Pay-TV channels and five to six pages of newspaper football reports. But they are only on overseas matches and football odds, having nothing to do with promoting the development of local football.

It is most distressing that, although the once-famous KWOK Ka-ming — I wonder if Members remember him — unsuccessfully took a penalty kick on one occasion, he was the captain of the Hong Kong team and later a coach, and he had done a lot for the Hong Kong team. After he retired from playing football, he went on to train up groups after groups of outstanding players, and I believe those sitting on the public gallery might have learnt how to play football from him. He has undoubtedly contributed a lot to local football and even the sports sector as a whole. It is too bad that he has been forgotten, and his name was not even on the list of Olympic torchbearers. This is really a great pity.

This incident has reflected the dwindling development of local football. There is no future and a lack of opportunities. The problem of unsecured livelihood of retired football players has lingered on for years and we all know that they have fewer chances to play in matches in recent years. We all know football players have a very short career. It would be a great pity for athletes if they do not have opportunities to play in matches, large-scale league matches in particular, within the few years when their conditions hit the peak.

A declining number of large matches at present have deprived quite a few football players with potential of opportunities. Therefore, I consider promoting local football very important, and the Government should take the initiative to seek opportunities for local football teams to play in league matches in China. At present, we do not have a football team in each of the 18 districts or such teams competing against one another but that is actually going to make the matches all the more exciting. As a matter of fact, the league matches among the navy, army and air force in the past were fantastic. At that time, they were not really good at playing football. Why does the Liberation Army not play in matches? They would attract audiences to buy tickets and acquire sponsorship from advertisers to support the operation of the football team. As a

matter of fact, I would surely watch the Lunar New Year tournament if I was invited by Timothy FOK but I may not watch it if I have to buy a ticket. The Lunar New Year tournament every year proves that there are still football lovers in Hong Kong.

(THE PRESIDENT resumed the Chair)

Seiko and Bulova are also very important examples. Who would care about football if they are not offered commercial sponsorship — we all know why — and if the teams do not get funding for training? Therefore, I consider the commitment of resources highly important. I would like to thank Mr CHIM for the assistance he rendered before but I wonder why he is not doing so now. It is essential for football players to have a full-time career. After they have retired from playing, the most important task for them is to continue to promote sports and train up the next generation.

The Government's role is to provide the public with adequate training facilities and competition venues, and to take the initiative to identify young people with potential. In this connection, it can start with encouraging schools to offer football training in Physical Education classes. Certainly, the problem of the availability of venues has to be sorted out first. I was very lucky when I was a student at the La Salle Primary School because there was a football pitch on Perth Street. It was a sand pitch rather than a turf pitch but it was at least a bigger place for us to play football, and we were better-off than the students of other schools that only had basketball courts. Yet, we had to play plastic balls when we were studying in St. Paul's College. Therefore, good football pitches must be built near schools before football can be promoted at the school level. Even if the Government cannot provide one football pitch for each school, it can let a few schools share a football pitch. Only in this way can students be encouraged to take part in diversified sports.

At the community level, I think there should be a standard turf pitch in each of the 18 districts so that local residents do not have to make long journeys to watch football matches in Mong Kok. Also, I support the establishment of a football academy and inviting world-class coaches with professional standard to train up elite football players in Hong Kong.

I so submit. Thank you, President.

MR ANDREW CHENG (in Cantonese): President, first of all, I would like to thank Mrs Sophie LEUNG for proposing this motion. A lot of Members of this Council have a zest for football. Those who are experts in "watching football matches" have many comments and views on this topic of football, and I think the free expression of different ideas is desirable.

I would not repeat most Honourable colleagues' memories of the past. The past was really glorious but we have to keep abreast of the trends and changes of times. The times have changed nowadays. As some Honourable colleagues have just said, the UEFA Euro will open this weekend and we can watch the live broadcasts of many fantastic football matches. In the past, we had few sports to choose from and we enjoyed playing football wearing white canvas sneakers which would last for a year or so. There were no other programmes on television except Cantonese films and no computers at home. Therefore, we were content with only playing football and listening to the radio.

However, children and youngsters nowadays think differently. It is sometimes saddening to hear other Honourable colleagues reiterating that we need more football pitches while the students of my Alma Mata, the Salesian English School, told me that they seldom played football during recess and after school and they only played computer football games using their hands. Perhaps they would use better skills at the games than in the football pitch. The games are so attractive and almost real, and I sometimes think they are real football matches, only to find out that they are computer games.

As to adults, some Honourable colleagues have just remarked that there is more football betting-related information than league match score tables in newspapers. When I want to watch a league match, I very often want information on the ranking of a certain team and on the players selected for the next match, but I find that most of the reports in newspapers do not cover these sorts of things. How can we cope with this culture shock?

Many Members have expressed their views on the selection of Olympic torchbearers. How should Hong Kong people face up to our sports culture? There are an astonishingly small number of athletes on the list of Hong Kong torchbearers for this sacred activity of the sporting event of the Olympic Games, and there is only one football player as far as I recall. The names of such football players as CHEUNG Chi-doy, WONG Man-wai, WU Kwok-hung, KWOK Ka-ming and SANTOS are often mentioned. They were top players in

the Hong Kong football sector in the 1960s, 1970s and even 1980s. Where are they now? They have not been selected or even nominated as torchbearers.

I am not sure what the First Division players on the public gallery now would think. They may just want to get the job done as Mr Donald TSANG has said. This is just a job after all. I understand this pretty well. We may say it is easy to be good football players but we may also say it is hard for they are under family pressure. For unmarried players, their parents would ask them how they could support a family. The cases of married players are even worse for they have to deal with their wives and economic pressures, and sort out their own future.

In our over-commercialized society at present, it seems that putting on the market for commercial returns is of paramount importance. Mr CHIM Pui-chung has mentioned such teams as Seiko and Bulova in the past. We know from their names, Seiko and Bulova, that these football teams obviously have the sponsorship of watch traders. Have we ever heard of Cheung Kong or Hutchison-Whampoa football teams? Do we wish to have a Sun Hung Kai football team? That would not happen in Hong Kong for the wealthiest in Hong Kong would not give football any funding support. Some Honourable colleagues have just referred to Fiat of Italy. How much has it spent on football sponsorship? A more recent example is Hyundai of South Korea. It has also sponsored football. This is the culture of those countries. Given the poor standards of local football, Members may query if large property developers would be willing to give funding support. A vicious cycle is thus formed.

If not driven by the Government at the very beginning, businessmen would hardly be attracted to give funding support. I hope Members would support the original motion and the amendments, in particular the suggestion of including football as an elite sport. As Hong Kong people like playing and watching football so much, the Government should give this sport more funding support. In fact, football is the most attractive sport in the world. As some Honourable colleagues just mentioned, in the 1970s, the football teams of our neighbouring countries, Japan and South Korea, were always defeated by the Hong Kong teams. And Japanese teams were regarded as "fair game". Why have they become so powerful today? The Japanese Government offered funding support at the very beginning, which attracted commercial participation and later brought in elite foreign players such as Zico. In the future, if retired foreign players such as BECKHAM joined South China or Happy Valley, it would certainly attract more and more spectators to football matches. I believe the recovery of

our football sector could be expected when there are more spectators, more young people taking part in matches and the Hong Kong team has better performance.

Mrs Sophie LEUNG's husband is the Chairman of the Hong Kong Football Association and I understand why she brought up this topic for discussion. Mr Timothy FOK who should sit at the back is not here today, which makes me a little disappointed. This is the first time throughout the years that football is discussed in this Council. Hong Kong people really love watching football matches and I hope there will be a better football team in Hong Kong which would become world-famous. This would be just around the corner if the Government takes the lead, the business sector participates and everybody joins the endeavour. Thank you, President.

MRS SELINA CHOW (in Cantonese): President, men have all along been considered ardent football fans but surprisingly, the motion today is proposed by a lady Member, and it is now my turn to talk about football as a lady Member, I hope male Members would not find it strange. I would like to refer Members to some events in history. In 1966, I was in Wembley watching the most well-known World Cup football match with England versus Germany. The match was spectacular and I watched it from beginning to end. As Members may recall, there is so far no consensus about one goal. How was the ball shot at the goal, leading to the need to play added time? About football, like many people in Hong Kong, I am greatly attracted towards overseas football matches such as the Euro, the English Premier League or the World Cup. To be frank, I admit I have not shown enough support for local football matches.

We heard many of the names just mentioned when we were little, for instance, I heard the names of such football stars as YIU Chak-yin and WU Kwok-hung when I was small. Generally speaking, local football is not a sport that ladies are particularly fond of. Among numerous sports, I believe football has the largest number of fans. As Members may have noticed, it was found in a survey in 2006 that football was the favourite sport of one third of our population.

Local football is not without its glorious days, why has it degenerated into such a downcast state today? I believe we should go to the bottom of the matter. In particular, when there are a lot of football fans, why is it the case?

Many would say that the culprit may be the deteriorating standards of local football players. But we should be objective and consider if the present conditions of Hong Kong as a whole is conducive to the professional development of football players born and brought up here.

Taking the training of young football players as an example, there are inadequate guarantee for their prospects and a lack of more professional training courses which would enhance the skills of football players without impeding their academic progress, and even allow them to take up other sports-related courses. It is perfectly all right for children to play football as an interest but if we would like parents to set their minds at rest and allow their children to choose football as their lifelong occupation, frankly speaking, I do not think many parents would be willing to do so. Since the promotion of elite sports in Hong Kong in the 1990s, the Hong Kong Sports Institute has excluded football from its key development projects. So, scientific and systematic football training is diminishing. Players can only rely on the financially tight football clubs or take up extra-curricular training courses subsidized by the Government. How can the standards of football players be lifted and assistance offered to young people who would like to go along this direction?

Let us take a look at Singapore. The National Football Academy led by the Senior Minister of State for Law and Home Affairs offers a series of courses to young football players, which include not only football training but also relevant courses aiding their physiological, psychological and academic growth. Parents can set their minds at rest and allow their children to undergo football training. In the J-League in Japan, every football club not only has its professional team, but also youth and adolescent teams. These teams also take part in league matches and even undergo overseas training on a regular basis. Moreover, these teams and young football players have strong support from the local government.

Similarly, insofar as funding is concerned, while a small part of the funding for the college football matches in Britain comes from the college football associations, a much larger part relies on the support of colleges and the local government. Under such circumstances, overseas football players are of high quality. On the one hand, players start receiving professional training when they are very young; on the other hand, players can concentrate their attention on football. We should draw reference from the experience of such places as Japan and Singapore in football development.

The construction works of the football academy in Tseung Kwan O endeavoured after by the local football sector is expected to commence in September this year and complete in 2010. The construction could only be taken forward with the funds painstakingly raised by the sector and the donation of \$130 million by the Hong Kong Jockey Club. However, soliciting more funding would be necessary so as to double the size of the football academy to accommodate 10 football pitches. Also, the football academy is going to fund its future day-to-day operation on its own. Yesterday, there was a media report about the free admission to Leisure and Cultural Services Department venues except turf football pitches to promote sports in honour of the Olympic Games. I believe the Bureau should put that right.

Hong Kong gets poor ranking among 21 regions in the Asian Football Confederation, unlike other regions excelling in various aspects which have scored almost 20 points, Hong Kong has only scored one point and ranks last at present. Actually, there are many Hong Kong people interested in football, and we have to review the situation when we know other places cultivate the next generation this way.

Thank you, President.

MR CHEUNG MAN-KWONG (in Cantonese): President, I am a football fan and I have been watching football matches since I was a primary student. As Mrs Sophie LEUNG has proposed this motion on promoting the development of local football, even though I am not a football expert, I have to say something in support of the motion and to express my views.

A very crucial factor in promoting the development of local football is good performance as fantastic matches will attract more and more supporters. Local football does not have to match the standards of Europe, the English Premier League or South America, but it is very important for it to at least get the strongest ranking in Asia and play in good form, in order to kick off football fever and enthusiasm in the territory.

To perform well, local football has to meet a lot of requirements. First, there should be good football players. The soul of football is in the players. Only with good players there will be football stars and enhancement of football skills. For youngsters to become football players and contribute to the sport throughout their lives, they must be told that there are prospects. I know that

many parents earnestly arrange for their primary age children to play football and take part in sports but most of them gradually arrange for their children to quit all sports activities once their children become junior secondary students. It is because they all know that football players have bleak prospects and their children might as well study hard. Young players leaving football teams may bring significant consequences for we cannot train up an outstanding Hong Kong team overnight if the players have not been playing football since adolescence.

A Member has just remarked that not everyone is like BECKHAM but I think Hong Kong certainly needs a football system that can train up players like BECKHAM. When a classmate of BECKHAM asked him upon primary school graduation what he wished to become when he grew up, BECKHAM answered that he wished to become the captain of the England national team. He just graduated from primary school at that time but he already wished to do so, and he later joined a football apprenticeship. If we think that BECKHAM is excellent because he had the wish when he was very young and has eventually become the captain of the England national team, we should also think of his mother. I wonder if any mother in Hong Kong would be like BECKHAM's mother (BECKHAM was a football apprentice when he was in junior secondary school). At that time, his family members would be the first to say no because they considered the job no prospects.

Should we envy other countries' flourishing football development with so many football stars and superstars, we must take into account our education and social systems, whether our football system would accommodate professional football players and whether being a football player can be a lifelong career in which a player could exert himself and strive hard.

Second, there should be football pitches. I have just read the joint letter from several football teams, and I wonder how there would be enough football pitches for training in Hong Kong when even First Division teams lack football training grounds. Let us talk about BECKHAM again. BECKHAM's free kicks are marvellous. How did he practise free kicks? When his training sessions in Manchester United ended and all football players took a rest, he went to the midfield and practised shooting at the goal with the help of tyres. He actually aimed at shooting the balls into the tyre cavities. With a shortage of football pitches, football players would be driven away when the time is up and it would be impossible for them to stay on to practise free kicks and "banana shots". It is really impossible for them to do so.

If the Secretary would like local football to have prospects, firstly, football pitches should be built in all regions with schools; secondly, football pitches or even home fields should be provided to local football teams and players in professional teams at the lowest charges, otherwise, local football will not be flourishing; thirdly, as far as football fans are concerned, people in many places in Europe will be high-spirited on Saturdays and Sundays; all family members will put on jerseys and take a train to the venues to support football teams. In Hong Kong, computer booking as suggested by Audrey EU is absolutely unnecessary because usually only a total of 20 tickets would be sold, and watching football matches is basically not a Sunday family activity. Nevertheless, do Hong Kong families watch football matches? The answer is yes. For example, my whole family would stay up late at night to watch the English Premier League matches. There are not too many but quite a few families like that. In other words, there are football fans but we unluckily fail to establish a sense of belonging between football fans and football clubs.

I agree with Dr YEUNG Sum that the Government should subsidize each of the 18 District Councils in managing a district football team, to train up youngsters in the districts and hold league games on home fields and as guest teams, in order to nurture football fans in the districts. Elite football players in Hong Kong should take part in the Chinese Super League because competing in different regions helps in fans retention. Fans retention is highly important for it would bring advertising which will in turn bring funding. When there is funding, the teams will become stronger.

For sure, the Government should be the first to give funding support. It is not at all easy for us to ask Seiko and Bulova for funding support with few football match spectators. Why would we need funding support if there are only 20 spectators at football matches? The Government has to start from the basic. In the past, some government departments such as the police have great football teams; the Fire Service's football team was not as good but not bad at all. The Government should have the determination to start with a systemic reform.

I am a football fan and I frequently watched football matches on hilltop in the past. When the football matches had been held for more than 30 minutes, I would sneak into the football ground and watched the matches for 10 minutes or so before the end. Why was I willing to do so? It is all because I have such a zest for football. I am not speaking today as an expert but as an ordinary

football fan. I have a plain wish to see "red flags" (the stands at our football grounds to hit full capacity) again, and for our football teams to at least have satisfactory performance in Asia, of which football fans would be proud.

Thank you, President.

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

MR CHIM PUI-CHUNG (in Cantonese): President, I am very grateful to Mrs Sophie LEUNG for proposing this motion today and I am also grateful to Dr YEUNG Sum, Mr WONG Yung-kan and Prof Patrick LAU for mentioning my name just now. So, I have to express my views in detail. A Member told me that he would lend me his remaining speaking time of a few minutes but this is procedurally inappropriate. *(Laughter)*

President, I would like to talk about the past and future of local football. It was the golden era of local football between the late 1940s and the 1950s, highlighted by a great match between South China and KMB in the 1950s. Arrow shirts were most famous in those days, and the price of a ticket for the great match was the same as that of an Arrow shirt. Many football fans actually could not afford the tickets and they could only climb uphill to watch the match.

The Republic of China team was organized in 1958. Since there were too many football players in Hong Kong at that time, they were divided into two teams; one represented the Republic of China while another represented Hong Kong. Prof Patrick LAU said inaccurately a while ago that the Four Aces of Hong Kong represented the Republic of China team of Taiwan because HO Cheung-yau among them actually represented Hong Kong. The Hong Kong team achieved splendid results and was the champion in the Third Asian Games in 1958. It beat South Korea 1:0. The Hong Kong team had such an excellent result even though one of the players was sent off. It was a representative Asian team at the time. Back then, many football teams in Hong Kong took part in exhibition matches in Southeast Asia when the local football season concluded in June every year. Their numerous victories remain fresh in our memory.

There was a representative Jardine Matheson team in the 1960s organized by the KESWICK brothers from Jardine Matheson with a zest for football.

Many Honourable colleagues have referred to the Seiko and Bulova football clubs in the 1970s and I luckily had a part to play in their performance and development. The fact that we still remember these teams proves that our efforts were not wasted and were worth supporting.

Owing to the hard work of various parties, football clubs such as Sun Hei took part in football matches from the 1980s onwards, and there were the so-called "Division giants" in Hong Kong such as South China, Kitchee and Eastern. Members just referred to LEE Wai-tong, the "King of Chinese football". I had the pleasure of travelling to Cambodia with him in 1965 when he represented Hong Kong in a World Cup Qualifier hosted by the International Federation of Football Associations. The World Cup Final was held in Britain in 1966. It was Australia versus North Korea in the final round, and North Korea achieved the best result in 1966. South Korea won the third runner-up in 2000, which was also an outstanding achievement.

Anyway, my remarks above sufficiently prove that local football talents are outstanding and of good standing in Asia. Of course, we should not dwell in the splendid past and it is most important for local football to have a future. To this date, I firmly believe local football matches are most representative and worth football fans' appreciation and recollection. If the Government submits to popular will and is willing to act in response to people's aspiration, it should play a leading role.

The typical suggestions just made by Mr CHEUNG Man-kwong are excellent.

In promoting football, I hope we would deal with the issues of the popularity and superiority of the sport first. In regard to popularity, in my view, (as Dr YEUNG Sum has just pointed out) the 18 districts in Hong Kong should at least be grouped into nine districts, so that there will be one football pitch or one football team every two districts. In view of the fact that we may not find such talents in every district and individual districts may not take an interest in football, we can have six teams in the 18 districts, that is, one football team every three districts. In any case, the Government should take the lead. We know from the Secretary's remarks a moment ago that the Government sponsors the Hong Kong Football Association (HKFA) \$6 million to \$7 million a year. When amateur football matches were held in the past, such funding support might even not be sufficient for a single team, and South China needs a

funding of over \$10 million a year at present. On this ground, the Government should give reasonable funding — we do not expect it would spend a lot. Only then are we able to encourage people in each district interested in football or other sports to participate.

Concerning commercial sponsorship, we understand that sponsors talk business and will naturally strongly support any activities of commercial value. The Government should take the lead and provide them with tax exemption. For instance, it can offer tax exemption or 50% tax allowance to all sports sponsors so as to encourage the youth in Hong Kong to take part in normal and reasonable sports activities rather than playing computer games all the time, necessitating the wearing of spectacles — the Secretary is wearing spectacles and I used to wear spectacles before but I now have good eyesight after a laser surgery. Hence, the authorities concerned should allocate more funds for sports sponsorship such that all business establishments would be interested in taking part.

As I have just said, promoting football development can be considered as an alternative smoke-free industry with beneficial results. How can the Government promote football development to the best of its ability? The beginning is the hardest part. Another problem lies with venues. The Flower Market Road football pitch was built many years ago and I wonder why the SAR Government is not building another football pitch more than a decade after the reunification. We know that the Kowloon side has a much larger population than the Hong Kong side, thus, building a football pitch on the Kowloon side is a task of top priority. It would certainly be better for there to be a football pitch in each and every district. But that is something to be taken up later.

Another viewpoint of mine is that the structure of the HKFA needs a review. I cherish the memory of the contributions made by Dr Henry FOK and his family, that is, he and his sons to the HKFA in the past. They contributed a lot but the era is over and the HKFA Chairman should step down and hand over power to an able person. This is not within the Secretary's scope of authority but I only wish to say that we all care about the HKFA and local football.

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

(No Member indicated a wish to speak)

PRESIDENT (in Cantonese): If not, I now call upon Mrs Sophie LEUNG to speak on the two amendments. You have up to five minutes to speak.

MRS SOPHIE LEUNG (in Cantonese): President, today, I am delighted to propose this motion on which a lot of enthusiastic Honourable colleagues have expressed their views, which are much better than mine because I even know very little about football rules.

Why have I proposed this motion today? It is because I wish to get Members' support to urge the Government to at least engage experts to study football development in other regions in the past 20 years. A number of Honourable colleagues have mentioned a while ago that more government funds are required but I do not wish to approach the issue from a pecuniary perspective. I really wish to approach the issue from the perspective of experts. As I have observed, initial funding by the governments in many places generated considerable television advertising revenues and attracted sponsorship by advertisers, which is highly desirable.

Some Members just suggested that the 18 districts or nine districts should be responsible for the matter, and I think this is a great idea. As Honourable colleagues have just said, the Wofoo Tai Po Football Club is an example. The football club can manage so long if the small and medium enterprises in the district are willing to donate tens of thousands of dollars towards its funding each year. Most importantly, the miracle of the Wofoo Tai Po Football Club is actually created by people including the District Officer who have heart. We should do our bit for promoting the sport.

Moreover, I would like to point out that the study by the experts is conducted for the sake of our youth. They cannot just play football for interest's sake and I am not sure what they can do after playing football for 10 years or so. At present, many professional players around the world have opportunities to learn about team management at a certain stage and they will then be a part of the management or become managers in business establishments; that is very common nowadays. Some famous football players may not have developed along this direction but there are, in fact, precedents. I hope the experts working on the study would approach the issue from the angles of the vocationalization, systematized vocationalization and professionalization of football players. I think this would be a better approach. If an expert study

is not conducted on football development, it is going to obliterate the hope of a small group of Hong Kong people who still have heart.

Mr CHIM of this Council was once very famous for his participation in the football business, and I was only "enduring" the Salvation Army clothing at that time. He was so very successful but I believe he lacks the determination to stage a comeback nowadays. Do we wish to have all Hong Kong people who have heart losing the passion for football development? I believe the Secretary and the Government also have heart. We often talk about a harmonious society now and football can exactly foster a closer relationship between young people and their parents at the district level. Football is actually a very healthy activity which can help young people stay away from computer games and pave another way for the 80% of young people who fail to enter university. I wish that local football team can establish a brand name for Hong Kong.

An Honourable colleague just asked why I was not speaking for the textile and garment industry. Actually, to create another brand name for Hong Kong is one of my concerns, and it is also my wish to seek another path for the future of our youth and longer-term career development for football players who have heart. Thank you, President.

SECRETARY FOR HOME AFFAIRS (in Cantonese): Madam President, I wish to express my gratitude to the many Members who have put forward their precious advice on the motion.

As Members have pointed out, every football fan is an expert having personal insights. So, there can indeed be many enthusiastic discussions. I hope that in the future, Members can continue to support the development of local football and also the development of all sports in Hong Kong.

In regard to the promotion of sports development in Hong Kong, the SAR Government's basic policy objective is to provide the various local sports associations with the active support necessary for promoting their respective sports events. Besides, appropriate assistance will also be provided. The main aims are to promote sports in the community, develop elite sports, and make Hong Kong a major location for international sports events. All local sports associations in Hong Kong are independent in management and at the same time affiliated to their international federations of the respective sport, with

responsibility for promoting the development of the respective sport in Hong Kong. This is also the case with local football. The Hong Kong Football Association is linked similarly to the Fédération Internationale de Football Association.

The SAR Government conducts frequent discussions with different local sports associations, with a view to regularly reviewing, fine-tuning and perfecting the various co-operation projects in response to actual circumstances. In the case of football, frequent discussions are held with the Hong Kong Football Association on the positioning, objectives, framework and strategy of developing local football and also on implementing the required measures.

When I spoke at the very beginning of this debate, I already discussed the Government's support for the Hong Kong Football Association and the various measures on promoting football in the community. Even at the risk of verbosity, I would like to point out once again that in order to encourage more people to participate in the sport of football, the Leisure and Cultural Services Department (LCSD) has been organizing football training schemes for different age groups through its 18 regional offices. Since 2002, the Hong Kong Football Association has been running the Third Division League, and all the 18 districts are invited to organize district teams for participation in the League. All District Councils have agreed to provide their respective district teams with subsidy, and in the past three years, their combined subsidy stood at more than \$6 million. Under the promotion and demotion system of the football leagues, the Kwai Tsing district team was promoted to the Second Division League in 2004-2005. And, the Tai Po district team, which many Members mentioned just now, was even promoted to the First Division League in 2006-2007. Besides, the Sha Tin district team will also be promoted to the Second Division League in the 2008-2009 football season.

The Sports Commission set up in 2005 aims to advise the SAR Government on policies, strategies and allocation of resources related to sports development in Hong Kong. The Community Sports Committee, the Elite Sports Committee and the Major Sports Events Committee under the Sports Commission take account of the independent management of different sports associations in Hong Kong to formulate overall development planning for all sports, rather than making any decisions for any individual single sports. This mechanism for co-operation is time-tested. Mrs Sophie LEUNG advises the Government to conduct a detailed study or engage experts to position the

development of local football, formulate an overall development plan, set long-term and short-term goals, and implement the relevant initiatives. These are clearly issues that should fall within the purview of the relevant sports association. Therefore, before the Government launches any studies on the individual sport concerned, it must first reach a comprehensive consensus with the Hong Kong Football Association and fully consult the Sports Commission. No decision should be made before doing so.

Mrs Sophie LEUNG is very concerned about local youth football training. Through the subvention scheme of the LCSD, we have been working with the Hong Kong Football Association to organize systematic, comprehensive and conversational football training programmes for students and youngsters aged between five and 19. Under one of these schemes, the School Sports Programme, the Hong Kong Football Association is subsidized to assign football coaches to local schools for the provision of football training to students. Guided Tour Visits for Major Events are also organized for students to watch major international football matches free of charge, such as the Beijing Olympic Football Preliminary between Hong Kong and Japan, with a view to increasing students' interest in and knowledge of watching football matches. Besides, the LCSD also provides subsidy to the Hong Kong Football Association for running the Youth Football Development Programme, which covers the Youth Football Scheme, the Primary Athletes Football Training Scheme, the Young Athletes Football Training Scheme, the District Youth Football Teams Training Scheme and Regional Squad Training. The aim is to select players with potential for further training, in the hope that they can be promoted to the Hong Kong Team and represent Hong Kong in international matches.

The LCSD also provides subsidy to the Hong Kong Football Association for organizing different types of local football matches, including a five-a-side football league and a youth football league. These leagues are well-received by the public, as evidenced by the participation of more than 450 teams. The champion of the Under-15 Group of the Premier Cup Youth Football League can even receive a subsidy for representing Hong Kong in the Regional Final of the Manchester United Premier Cup. This gives local youth football teams a rare chance of participating in world-class youth football matches.

In regard to the support for football teams to conduct overseas training and participate in overseas matches, the Government also provides subsidy to the Hong Kong Football Association in organizing international matches in Hong

Kong and in sending the Hong Kong Team to participate in international matches, so as to learn from overseas teams and gain international experience. To support the Hong Kong Football Association, the LCS D has invited world-renowned football teams for demonstration matches in Hong Kong. Some examples are the Spanish Real Madrid's visit to Hong Kong in 2003 and the Hong Kong Special Administrative Region Tenth Anniversary Reunification Cup in 2007, which enabled Hong Kong football fans and the Hong Kong Team to benefit from such world-class teams as Germany's Bayern Munich, Brazil's Sao Paulo and the China National Team.

On the front of exchange activities, the Hong Kong Football Association has, since 1997, secured additional funds from the Arts and Sport Development Fund for the Hong Kong Team to participate in football matches in our country's National Games and National Cities Games. Since 2006, the LCS D has allocated additional subsidies every year for the Hong Kong Football Association to send two youth football teams, one with players aged 11 or 12 and the other aged 13 or 14, to participate in the Guangdong/Hong Kong/Macao Youth Football Exchange Programme for local young players to exchange experience with elite players from the Mainland.

Members are also very concerned about the education needs of young football players. We do share their concern. In this regard, earlier on, we have obtained the agreement of the eight institutions funded by the University Grants Committee to render support to athletes, and to accept and consider enrolment applications from athletes recommended by the Sports Federation and Olympic Committee of Hong Kong, China or the Hong Kong Sports Institute. We believe that this arrangement can allow athletes with potential, including football players, to focus on their sports career while their overall personal development is also taken care of.

Regarding the provision of football venues, the LCS D has reserved certain sports venues specifically as the training centres or designated venues for the Hong Kong Team. The Hong Kong Football Association has now selected the Ma Chai Hang Recreation Ground as the training centre for the Hong Kong Team and 42 other natural turf pitches as designated venues for the Hong Kong Football Association. The whole year round and without any quota, the Hong Kong Team can enjoy priority in booking the Ma Chai Hang Recreation Ground for training purposes.

In the past three years, the utilization rates of the 50 natural turf pitches and the 27 artificial turf pitches under the LCSD were respectively 100% and 80%. With a view to increasing the available time slots of football pitches and further improving their facilities, the LCSD already converted six natural turf pitches into third-generation artificial turf pitches for use by the public. It is also planning the conversion project of another eight pitches in the next round which is expected to be completed by 2010. Twelve new pitches, including four of artificial turf, two of natural turf and six of hard-surfaced, will be built in three years for the public.

At the same time, the Government has all along been actively rendering assistance to the Hong Kong Football Association in seeking the allocation of a site at the Tseung Kwan O Landfill for building a football training centre. The Environmental Protection Department has issued a land licence valid for 21 years to the Hong Kong Football Association and the Hong Kong Jockey Club Charities Trust has also granted \$103 million to the Hong Kong Football Association in 2005 for building the training centre. The proposed training centre will comprise a number of grass pitches of international standard, dormitories, canteen, lecture rooms, physiotherapy room, and so on. The Government will continue to provide appropriate support to the Hong Kong Football Association to facilitate the development of the training centre.

Members have also said that we should provide support to the professionalization of local football and the creation of a favourable environment for establishing local football team brands. As I have already pointed out, the various sports associations should play the leading role in the development of the respective sport in Hong Kong, and they should formulate the relevant development objectives and plans. When it comes to drawing reference from successful examples overseas, we are of the view that the sport professionalization and the creation of team brands should be left to the market, and all development must depend on the overall sports atmosphere in society.

Regarding Members' proposal on encouraging foreign football clubs to set up football schools in Hong Kong, I wish to point out that since football has now developed into a highly commercialized sport in the world, the decision of whether to set up any such schools in Hong Kong should purely be a business decision of foreign football clubs, and the Hong Kong Football Association should decide whether to grant any recognition. The Government is only fit to play a supportive role.

In conclusion, I wish to reiterate that the Government will continue to invest resources in enhancing football training and upgrading venue facilities, with a view to promoting the development of local football. We will continue to work with different social sectors and strive to foster our sports enthusiasm, encourage more people to participate in sports activities and assist the industries in organizing more major sports events, with a view to upgrading Hong Kong's status in the international sports community.

Madam President, I so submit.

PRESIDENT (in Cantonese): I now call upon Miss CHOY So-yuk to move her amendment to the motion.

MISS CHOY SO-YUK (in Cantonese): President, I move that Mrs Sophie LEUNG's motion be amended.

Miss CHOY So-yuk moved the following amendment: (Translation)

"To delete ", as football, being" after "That" and substitute with "football sport in Hong Kong has developed for a period of time and is"; to delete "Hong Kong," after "popular sport in" and substitute with "the territory, which"; to add ", encourage renowned overseas football clubs to establish football academies in Hong Kong," after "local youngsters"; to add "(c) apart from supporting the Football District League and the Young Athlete Training Scheme, consider giving more funding support to football teams with outstanding performance, and formulate a long-term funding policy;" after "good foundation for the development of local football;"; to delete the original "(c)" and substitute with "(d)"; to delete "and facilitating" after "their career" and substitute with ", and strengthen the training of referees, so as to facilitate"; to add "overall" after "the enhancement of the"; to add "football" after "professional standards of the"; to add "(e) in order to meet their education needs, recommend young football players with outstanding performance in football matches for admission to universities and tertiary institutions so as to broaden the prospects of retired football players;" after "sport;"; to delete the original "(d)" and substitute with "(f)"; to delete "and" after "stronger teams;"; to delete the original "(e)" and substitute with "(g)";

and to add "; (h) build more football pitches across the territory and upgrade the facilities of existing football pitches, including converting the existing concrete pitches into natural turf, plastic or artificial turf pitches, so as to reduce the chances of football players sustaining injuries; and (i) encourage local radio and television stations to conduct live broadcast of football matches to cultivate the community's interest in watching local and overseas football matches" immediately before the full stop."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Miss CHOY So-yuk to Mrs Sophie LEUNG's motion, be passed.

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

(Members raised their hands)

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

(No hands raised)

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

PRESIDENT (in Cantonese): Dr YEUNG Sum, as Miss CHOY So-yuk's amendment has been passed and I have given leave for you to revise the terms of your amendment, as set out in the paper which has been circularized to Members, you may now move your revised amendment.

DR YEUNG SUM (in Cantonese): President, I move that Mrs Sophie LEUNG's motion as amended by Miss CHOY So-yuk be further amended by my revised amendment.

Dr YEUNG Sum moved the following further amendment to the motion as amended by Miss CHOY So-yuk: (Translation)

"To add "; (j) deploy resources to support the future day-to-day operation of the Football Academy to be built in Tseung Kwan O; and (k) include football as an elite sport to attract more talents;" immediately before the full stop."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That Dr YEUNG Sum's amendment to Mrs Sophie LEUNG's motion as amended by Miss CHOY So-yuk be passed.

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

(Members raised their hands)

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

(No hands raised)

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

PRESIDENT (in Cantonese): Mrs Sophie LEUNG, you may now reply and you have four minutes 56 seconds.

MRS SOPHIE LEUNG (in Cantonese): President, after listening to the Secretary's speech, I hope the Secretary will see the issue from a perspective that sets to do something for Hong Kong and create a harmonious society, so as to identify more carefully some invisible tools that can connect people, as well as

some concrete measures that can build a harmonious society. If the Secretary approaches the issue from this perspective, which is the same as I do, he will find that football is a ladder and a tool for building a harmonious society, as well as connecting and nurturing our youth. I hope the Secretary, after reading through the draft of his speech, will have different views from those in the speech drafted by Bureau officers for his recitement in this Council. The Secretary did spell out the fact. It is necessary for the Hong Kong Football Association (HKFA) to play an important supervisory role. Honourable colleagues who have spoken today understand this pretty well. Although we understand this fact, as we have observed, the HKFA — no matter whoever is in charge — has degenerated and become stagnant for almost 20 years. As a result, our young people no longer wish to play football as a career. Should we let this go on?

If the HKFA fails to realize the situation, I hope the Government, especially the Secretary for Home Affairs in charge of sports, leisure and cultural services, would wake up the HKFA. I hope the Secretary would at least seek another path for the future of Hong Kong, our harmonious society and our youngsters. It is because 80% of young people in Hong Kong may not be able to go to university or do not want to enter university, and I do not consider attending university a must for the youth in Hong Kong. From this perspective, I wish we would find another path for the future of our youngsters and the brand name of Hong Kong.

I would like to extend my thanks to young football players on the public gallery who have come here today to show support for this motion. They are not showing support for me but for this motion and Honourable colleagues speaking from the perspective of football development. We have a beginning instead of a "comma" today. I promoted the development of border industrial zones a few years ago and we already see the first light of morning today. I hope this case will see a similar outcome. Expeditionary football development is my sincere wish and I wonder if the Government would at least deploy resources to conduct an expert study. It is not because nobody in the community would conduct this study or no money to do so, but because a study funded by anyone else would not be mandated. Hence, the expert study must be conducted by the Government. I hope that the Secretary, after listening to these words from the bottom of my heart, and looking at the football players on the public gallery and thousands upon thousands of football players in future, would at least join us and make some mental and physical efforts for the endeavour. Thank you, President.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the motion moved by Mrs Sophie LEUNG, as amended by Miss CHOY So-yuk and Dr YEUNG Sum be passed. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

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

PRESIDENT (in Cantonese): Second motion: Opportunities to Hong Kong brought about by the thawing cross-strait relations.

I now call upon Mr TAM Yiu-chung to speak and move his motion.

OPPORTUNITIES TO HONG KONG BROUGHT ABOUT BY THE THAWING CROSS-STRAIT RELATIONS

MR TAM YIU-CHUNG (in Cantonese): President, cross-strait relations have apparently turned a new leaf in the past few months. When President HU Jintao met Taiwanese leader Vincent SIEW at the Boao Forum on 12 April, he proposed the policy of "four continuations" in connection with cross-strait relations, that is, to continue to push for cross-strait exchanges and co-operation in economic and cultural area; to continue to push for cross-strait negotiations on weekend charter flights and visits by mainland residents to Taiwan; to continue to care for the well-being of Taiwanese compatriots and safeguard the proper rights of Taiwanese compatriots, and to continue to push for cross-strait negotiations. Taiwan's new leader MA Ying-jeou said on 20 May that, based

on the "1992 Consensus", the two sides of the Taiwan Strait should resume negotiations at the earliest time possible, and that it was expected that, with the start of direct charter flights on weekends and the arrival of mainland tourists in July, a new era of cross-strait relations would be launched.

The Association for Relations Across the Taiwan Straits of the Mainland wrote to the Straits Exchange Foundation (SEF) of Taiwan last Thursday, inviting a SEF delegation to visit Beijing from 11 to 14 June for negotiations over such issues as cross-strait weekend charter flights and tourism for mainland residents to Taiwan "in the hope that the fruitful results of the negotiations would meet public expectations on both sides of the Strait". SEF Chairman CHIANG Pin-kun immediately accepted the invitation upon receipt of the letter. He also indicated that an agreement was expected to be signed on 13 June.

The "Three Direct Links" across the Taiwan Strait in a straightforward and all-round manner would soon be realized under such harmonious circumstances. For Hong Kong to maintain its economic status in the Asia-Pacific region and continuously enhance its economic competitiveness, we cannot ignore the changes that the "Three Direct Links" across the Taiwan Strait would bring about. We should also plan early, grasp opportunities and inject new impetus into our long-term economic development. The Democratic Alliance for the Betterment and Progress of Hong Kong (DAB) thinks that the SAR Government should expeditiously strengthen, through various channels, the close ties between Hong Kong and Taiwan, as well as study and implement various proactive measures in respect of finance, economic and trade, aviation and transportation, tourism, technology and immigration arrangements.

First, we should approach the issue of finance from five aspects, such as attracting more Taiwanese enterprises to list in Hong Kong; encouraging start-up and capital financing by Taiwan-related enterprises using venture capital funds in Hong Kong; stepping up contacts and co-operation with the Taiwan Stock Exchange; assisting Taiwanese enterprises with outstanding performance in issuing bonds in Hong Kong; and strengthening co-operation with Taiwanese banks and expanding the scale of services for Taiwanese businessmen. As anticipated by quite a number of experts, the "Three Direct Links" would give impetus to the economic revival of Taiwan. Since we have a more flexible capital market that does not restrict the use of capital raised by listed companies, more Taiwanese enterprises would choose to list in Hong Kong.

Therefore, the SAR Government and the Hong Kong Stock Exchange (HKEx) should take the initiative to step up promotional efforts in Taiwan to strive for more Taiwanese enterprises to list and raise capital in Hong Kong. In view of the continuous upgrading of industries on both sides of the Strait, new technologies and industries necessitate risk investment. As the biggest venture capital centre in Asia, Hong Kong should create opportunities for attracting related enterprises to start up and raise capital in Hong Kong through risk investment funds. To achieve these objectives, the HKEx should step up contacts and co-operation with the Taiwan Stock Exchange, jointly introducing new financial products, co-operating and supplementing with one another, giving impetus to the listing of Taiwanese enterprises in both the Hong Kong and Taiwan stock exchanges, as well as enhancing information exchange and the inter-connection of the clearing networks of the two stock exchanges.

Banking service is an important link in financial development and the realization of the "Three Direct Links" between both sides of the Strait will stimulate rapid growth in the economic and trade total on both sides of the Strait. However, banks in Taiwan can hardly enter the Mainland within a short time to provide direct services to Taiwanese businessmen. As such, the banking sector in Hong Kong should proactively enhance co-operation with the relevant Taiwanese banks and rapidly expand the scale of services for Taiwanese businessmen, so as to strengthen the overall competitiveness of Hong Kong banks on the Mainland.

Second, in the economic and trade area, the DAB considers that the SAR Government must step up its efforts in investment promotion in Taiwan and strengthen our service industry to provide Taiwanese businessmen with a professional service platform. To promote economic and trade relations between Taiwan and Hong Kong, we must boost our efforts in investment promotion in Taiwan, for instance, quasi-government or non-governmental delegations should carry out investment promotions in Taiwan on a regular or irregular basis through InvestHK or such chambers of commerce as the Chinese General Chamber of Commerce. Owing to the fact that Taiwanese businessmen like to group together to achieve the group synergy effect, Hong Kong should focus on large enterprises or listed companies in Taiwan and formulate matching measures for investment promotion. In the event that these large enterprises or listed companies decide to do business in Hong Kong, up-stream and down-stream enterprises of small and medium scales in the relevant trades will certainly be attracted to invest in Hong Kong, creating the

effect of getting twice the result with half the effort. In the process, Hong Kong must set up as early as possible an office of the Hong Kong Trade Development Council in Taiwan and introduce into Taiwan our trade promotion methods proven to be effective in the past.

Regional economic co-operation has become increasingly important nowadays. In connection with investment promotion, Hong Kong should step up co-operation with the Pearl River Delta (PRD) Region and work in line with the division of labour in the PRD Region, so as to benefit from the entry and exit of Taiwanese businessmen and the import and export of goods through Hong Kong. Also, a major economic pillar of Hong Kong has been the support services segment in industry and commerce. Hong Kong should similarly adopt the "bringing in" and "going out" principles to attract Taiwanese businessmen to make use of our quality services such as accounting, legal, as well as conference and exhibition services.

Third, in the aviation and transportation area, the SAR Government must expeditiously open up more air space and adopt more liberal aviation policies. The Government should keep improving our air transport services and pinpoint at the aviation networks, infrastructural facilities and charges in lifting the quality of services. Concerning aviation policies, it should lower the threshold of market entry and introduce larger-scale competitions, so as to improve the quality of services and attract Taiwanese travellers to use our aviation services. In light of an increase in the number of Taiwanese businessmen travelling to and from the PRD Region, Hong Kong must expedite the construction of cross-border infrastructures connecting the PRD Region, to provide mainland and Taiwanese businessmen and travellers with convenient access to the PRD Region. For example, it should expeditiously construct the Hong Kong-Zhuhai-Macao Bridge and the Hong Kong-Shenzhen Airport Rail Link. All this would be conducive to maintaining our position as a transshipment hub. In terms of logistics, we should proactively promote logistics co-operation between Taiwan and Hong Kong to help Hong Kong develop into a streaming platform for cross-strait cargo flows. Along with the speedy development of the mainland economy and the Taiwanese businessmen's expediting investment on the Mainland, the "Three Direct Links" would further increase the cross-strait trade volume. Thus, Hong Kong may lose some sources of goods following the realization of the "Three Direct Links". Nevertheless, the considerable trade increase as a whole promises a growth in the transshipment of goods through Hong Kong. Under Mainland/Hong Kong Closer Economic Partnership

Arrangement (CEPA) agreement executed between Hong Kong and the Mainland, industries such as logistics, freight forwarding agency, storage and warehousing and distribution have been liberalized early. Taiwan and Hong Kong companies can set up professional logistics companies in the form of joint ventures in an endeavour to enter the mainland market as quickly as possible.

Fourth, as far as tourism is concerned, Hong Kong should proactively promote tourism co-operation between Taiwan and Hong Kong to turn Hong Kong into a famous tourism and leisure spot for Taiwanese tourists. At present, Taiwanese visitor arrivals to Hong Kong amounts to 2.2 million each year, mostly passengers stopping over Hong Kong to and from both sides of the Strait, who spend little in Hong Kong. On this basis, Hong Kong should step up tourism co-operation with our peripheral regions, sign international agreements for sharing tourism resources and optimize the Hong Kong-Macao-Taiwan tourism corridor, for example, designing various tourism packages such as a six-day tour to Hong Kong, Macao, Taipei, Zhongshan and Zhuhai featuring Dr SUN Yat-sen's life history, as well as promote tourism routes to attract mainland and Taiwanese tourists, in order to promote the development of our tourism industry as a whole.

Fifth, as regards co-operation in the field of technology, Hong Kong should attract Taiwanese businessmen to make investments in capital- and skill-intensive industries in Hong Kong. The taking forward of the proposed development of the Hong Kong-Shenzhen river-loop area in the future is anticipated, Hong Kong should grasp the opportunity to attract Taiwanese businessmen to invest in the river-loop area if the mode of development involves skill-intensive industries or high-technology industries. Hong Kong should also proactively promote information technology co-operation between Taiwan and Hong Kong, and set up a framework for bilateral co-operation in electronic commerce. Taiwan has an integral system for information technology development and can provide Hong Kong and the PRD Region with the technologies and components required for economic transformation and industry upgrading. Hence, co-operation between science and technology research bodies and university research institutes in Taiwan and Hong Kong should be stepped up before it is too late, in order to lift the standards of our information technology talents and further absorb inbound investments by multinational information software enterprises.

Sixth, I wish to discuss immigration arrangements. There is a conspicuous difference between the number of Hong Kong visitors to Taiwan

and that of Taiwanese visitors to Hong Kong now. There are more than 2 million Taiwanese visitor arrivals to Hong Kong but only 300 000-plus Hong Kong visitor arrivals to Taiwan each year. The implementation of a two-way visa-free arrangement would make it more convenient for the residents of the two places to visit one another and intensify exchanges between Taiwanese and Hong Kong people. Apart from ordinary residents, the SAR Government should also relax the restrictions on the entry of Taiwanese officials to promote economic and cultural exchanges between the two places.

Hong Kong has played the role of an intermediary between both sides of the Strait for long but the implementation of the "Three Direct Links" may diminish the importance of our intermediary role and trim down our economic benefits. We should face up to the challenges, proactively increase our competitiveness, promote further local economic development, and do our bit in the course of revival of the Chinese nation in the four places on both sides of the Strait.

With these remarks, I move the motion.

Mr TAM Yiu-chung moved the following motion: (Translation)

"That, as the new political situation in Taiwan presents major opportunities for the peaceful development of cross-strait relations and the "Three Direct Links" across the Taiwan Strait may hopefully be established earlier, this Council urges the SAR Government to expeditiously strengthen, through various channels, the close ties between Hong Kong and Taiwan, as well as study and implement various proactive measures in respect of finance, economic and trade, aviation and transportation, tourism, technology and immigration arrangements, etc, thereby enhancing Hong Kong's competitiveness and facilitating the four places on both sides of the Strait to achieve a win-win situation."

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

PRESIDENT (in Cantonese): Mr Albert HO, Mr Alan LEONG, Mr Jeffrey LAM and Mr Howard YOUNG intend to move amendments to this motion. Ms

Miriam LAU also intends to move an amendment to Mr Jeffrey LAM's amendment. The motion and the amendments will now be debated together in a joint debate.

I now call upon Mr Albert HO to speak first, to be followed by Mr Alan LEONG, Mr Jeffrey LAM, Mr Howard YOUNG and Ms Miriam LAU; but no amendments are to be moved at this stage.

MR ALBERT HO (in Cantonese): Madam President, the presidential election of Taiwan this year has marked a new milestone for the history of China. We can see that the election in Taiwan has brought about the change of the ruling party for the second time, and we can also see that the ruling party has effected the handover of political power in an orderly manner according to the election results, which has manifested the establishment of the democratic system in Taiwan, the deep-seated democratic culture in Taiwan, as well as the strengthening of the foundation of the democratic society as a whole in Taiwan.

The fact that Taiwan has become a sophisticated democratic system and society has far-reaching impact on China as a whole as it is the first place in our country where democratization has been put into practice. I believe the successful practice of democracy in Taiwan has also tossed the argument of many so-called traditional schools (that is, the argument that traditional Asian culture and values are hardly compatible with those of democracy) into the trash bin. Taiwan has also proved that under the democratic governance, it can achieve a harmonious and stable society with long-term governance. With social conflicts resolved and interests distributed according to election results, people's aspirations will be achieved. With their participation in the voting in the election and in choosing the ruling party, people have also demonstrated their abhorrence and rejection of the prevalence of corruption in the past. Besides, it is believed that the enhancement of democracy will help develop and consolidate the rule of law in Taiwan in the future.

Regarding the motion today, I wish to take a step further. Besides examining the opportunities for economic development brought about by the thawing cross-strait relations, we should also examine the lesson we can learn from the democratic experience of Taiwan in relation to the development of the political situation in the two places on both sides of the Strait as well as in Hong Kong and Macao. We totally believe that — and this has always been the

expectation of the Democratic Party towards our country — the development of the two places on both sides of the Strait should move towards political, economic, cultural and social integration, thereby initiating a further political integration in future and the unification of the country as a whole. We also believe that the future unification of the country will definitely be achieved on the basis of a constitutional democracy. In no way can Taiwan forsake democracy. I believe that the people of Taiwan will continue to embrace the democratic values and system. I believe that in order to move towards the progress and development of civilization, our country's system of government must be democratized in order to ensure the continuous implementation of the "Three Direct Links", and the continuous cross-strait integration in future will help establish a new constitutional order, thereby achieving unification.

The motion debate proposed by the Democratic Alliance for the Betterment and Progress of Hong Kong (DAB) today is certainly meaningful and is also in line with the recent development of the cross-strait situation. However, I wish to stress that over the years, the Democratic Party and the pro-democratic camp have all along been greatly committed to promoting in Hong Kong the exchanges with Macao, and have been hoping to promote the "Three Direct Links" and integration of the two places on both sides of the Strait. Over the past few years, not to mention the period when the Kuomintang (KMT) was in power, and even during these eight years when the Democratic Progressive Party (DPP) is in power, we have had plenty of chances to observe the elections and attend various exchange sessions and seminars in Taiwan, including meeting with The Friends of Hong Kong and Macau Association, the Mainland Affairs Council of Taiwan, and even mayors and country magistrates at different levels, as well as getting in touch with and meeting the senior level of the KMT and DPP.

Regarding these contacts, the DAB adopted an attitude of avoidance in the past. Honourable Members may realize that even when observing the elections in Taiwan, they would avoid getting in touch with the government officials. The fact that they have proposed this motion today gives an impression that "the duck is the first to know when the water of the Spring River gets warm", which suggests that they can sense the warm breeze of spring blowing in the Mainland, and when they smell such fragrance, they know it is time for the prohibition to be removed. Therefore, they have proposed a very timely and appropriate motion debate, to which the Democratic Party will give its support. However, we should not confine our perspective to economic development. Whether our

country will become a civilized and advanced superpower depends not only on its economic performance and the hard figures but also on the development of humanism, which is always closely related to concepts such as democracy, rule of law, freedom and constitutional politics.

As I have said just now, the experience of Taiwan is a useful reference and worthy lesson for us to learn from. As an international financial centre and a sophisticated and advanced city, Hong Kong definitely possesses the political, social, economic and cultural conditions required to practise democracy. At present, numerous matters come down to one single thought. Leaders of the Central Authorities are still reluctant to allow Hong Kong to move towards full democratization, as it may create political pressure on the Mainland. In this connection, we think that the mainland leadership should adjust their concepts and mode of thinking. Especially when the two places on both sides of the Strait have the opportunity to make further in-depth exchanges and contacts, I believe the exemplary effect of the democracy in Taiwan will have a direct effect on the Mainland, and so the threat does not only come from Hong Kong. When our country is longing every day for the Taiwan compatriots to return their heart to China, I believe that the exemplary effect of the democracy in Taiwan will inevitably have a more far-reaching impact on the Mainland, unless our country wishes Taiwan to stay away from our ethnic community, our culture and the Chinese society. However, this is neither the direction adopted nor the target upheld for national development by our country.

As for the policy adopted by Hong Kong, honestly, we have discussed this in private with the Secretary. The policy of Hong Kong on Taiwan in the past has been the subject of criticism and disparagement. According to the information of the Mainland Affairs Council of Taiwan, in the past, a lot of political personnel in Taiwan often encountered various barriers when visiting Hong Kong. Not only were they unable to obtain an entry visa — as in the case of MA Ying-jeou — but they were also unable to obtain a reply of whether or not approval had been granted until maybe the day before the seminar they intended to attend was held. In such case, how can political personnel and influential personnel in Taiwan plan and decide in advance whether they will attend seminars in Hong Kong? Therefore, this is something which definitely requires improvement. We should adopt a friendly attitude in relation to the immigration policy and measures on Taiwan to show that Taiwan is really a part of our territory and Taiwan compatriots are our compatriots, instead of exercising so much political censorship and displaying so much anxiety.

The Friends of Hong Kong and Macau Association and a democratic organization among our community organized a seminar two years ago. The discussion was carried out in the form of a videoconference and participated by academics from both parties. However, the Hong Kong Government even criticized it as an intervention of Hong Kong affairs. Regarding this practice, I believe a review is necessary, and such policies should be abandoned.

MR ALAN LEONG (in Cantonese): Madam President, with the Kuomintang (KMT) returning to power after its victory in the presidential election of Taiwan, cross-strait ties are becoming closer. Following the attendance of Mr Vincent SIEW, the Vice President-elect of Taiwan, at the Boao Forum in the capacity as Chairman of the Cross-Straits Common Market Foundation, and the visit to Beijing by Mr LIEN Chan, Chairman Emeritus of the KMT, Mr WU Po-hsiung, Chairman of the KMT, has also visited Beijing and met President HU Jintao days earlier. Such exchanges have shown that Beijing and Taiwan will join efforts in promoting the peaceful development of the two places and facilitating economic and trade exchanges, among which the "Three Direct Links" across the Taiwan Strait may hopefully be established this year.

Madam President, in the year before the last, that is, in 2006, I visited Taiwan in the capacity as Member of the Legislative Council and was received by WANG Jin-pyng of the KMT, President of the Legislative Yuan. When I asked President WANG at our meeting what role Hong Kong could play after the "Three Direct Links" were established across the Taiwan Strait, President WANG gave me a straightforward answer: "No". Besides, from the platform of Mr MA Ying-jeou for the presidential election, we can also find that the existing mode of economic and trade exchanges in which Hong Kong acts as a necessary bridge across the Taiwan Strait is not beneficial to the development of Taiwan in the long run. The revitalization of the Taiwan economy has to be achieved through the "Three Direct Links" or the operation of direct charter flights across the Taiwan Strait.

Madam President, cross-strait relations have been in a deadlock for over a decade. Hong Kong has become the necessary bridge in commercial and trade exchanges between the Mainland and Taiwan, and has also become the greatest beneficiary as a result. However, with the imminent establishment of the "Three Direct Links" across the Taiwan Strait, the intermediary role played by Hong Kong will soon become a thing of the past. Madam President, I will try

to take tourism and the aviation and transportation industry as examples. Mr MA Ying-jeou wishes to relax the quota on mainland visitors to Taiwan from 1 000 people per day to 3 000 people per day. If the relevant policy is implemented smoothly, the occupancy rate of the hotels in Taiwan will increase from 67% to over 80%. Travel agents in Taiwan have also begun to plan tours "entering Taiwan and departing from the Mainland" or "entering the Mainland and departing from Taiwan". From the above policy idea, we can see that when designing future mode of economic development, Taiwan mainly wishes to replace the previous indirect channel of trading through Hong Kong with a direct channel of economic and trade exchanges, which also serves as a proof to what President WANG has told me the year before the last. Therefore, it is very reasonable for him to consider that Hong Kong does not have any role to play in the "Three Direct Links" across the Taiwan Strait.

Madam President, regarding the aviation and transportation industry, Stanley HUI, the Chief Executive Officer of the Airport Authority, has advised that the current number of Taiwanese passengers travelling to the Mainland via Hong Kong amounts to 5 million arrivals per annum. As a premier transit point, Hong Kong has benefited quite a lot from tourism. However, after the establishment of the "Three Direct Links", Taiwanese passengers may choose to take direct flights to the Mainland. Taiwan is the third largest market in the air passenger services and air cargo services of Hong Kong, and the operation of direct flights across the Taiwan Strait will inevitably create impact on the air passenger and air cargo industries of Hong Kong. Mr Tony TYLER, the Chief Executive of the Cathay Pacific Airways Limited, has advised earlier that if direct flights are in operation across the Taiwan Strait, the Cathay Pacific will inevitably reduce the number of flights to and from Taiwan. Besides Taiwanese passengers, passengers from other countries can also choose their transit points in Taiwan or Hong Kong. Therefore, tourism and the aviation and transportation industry of Hong Kong will be among the first ones to suffer from the blow.

Madam President, Hong Kong has to prepare itself for changing from the previous role of one with vested interests to the future role of a participant in a healthy competition. The economic benefits which have been taken for granted in the past will be changed soon. In the days to come, we have to demonstrate our competitive edge in order to avoid being marginalized by the direct exchanges between the two places on both sides of the Strait. In face of the sporadic pain to be experienced by Hong Kong caused by the imminent change of

role as a result of the "Three Direct Links" across the Taiwan Strait, how does the Government prepare the community of Hong Kong in order to diminish such blows?

Madam President, the policy adopted by the Hong Kong Special Administrative Region (SAR) Government on Taiwan has aroused quite a lot of criticisms over the years. Besides prohibiting various Taiwanese personnel from visiting Hong Kong, it has also taken a very passive role in the economic and trade affairs of the three places on both sides of the Strait. After Mr MA Ying-jeou has assumed office, the Secretary for Constitutional and Mainland Affairs has advised that \$1.5 million will be earmarked for stepping up the promotion of exchanges between Hong Kong and Taiwan. From this, we can see that the Bureau has not established any guiding principle at all regarding exchanges between the two places. Nothing can be more ironic than the fact that a reporter from Hong Kong has directly expressed his hope to Mr MA Ying-jeou for Taiwan to provide the convenience of the visa-free arrangement for Hong Kong, while the Government has never fought for the implementation of the relevant measure for the public. Just from this simple visa-free arrangement, we can see that the SAR Government is only taking a passive role of a bystander in cross-strait relations. Its Taiwan policy of maintaining the current mode of operation in the wake of changes has rendered Hong Kong unable to catch up with the pace of development of both sides of the Strait. It is indeed necessary for the Government to conduct a comprehensive review of its policy on Taiwan.

Madam President, let us take a retrospective view at the path of history. The Straits Exchange Foundation and the Association for Relations Across the Taiwan Strait signed the "1992 Consensus" in Hong Kong in 1992, which is the major foundation for the peaceful cross-strait development today. With the imminent resumption of discussion between the two organizations, the role being played by Hong Kong in respect of cross-strait relations now is much less significant than before.

Madam President, in the face of the imminent establishment of the "Three Direct Links" across the Taiwan Strait, the passive role adopted by the SAR Government has aroused concern in the community. In the previous policy programme of the Commerce and Economic Development Bureau, we have been glad to see the specific work targets set by the Bureau to strengthen technological co-operation at different levels with the Mainland and to facilitate exchanges with technological experts from mainland cities, such as Beijing, Shanghai,

Chongqing and the Pan-Pearl River Delta Region. However, the Bureau has not proposed any initiative to deal with the impact of the "Three Direct Links" across the Taiwan Strait on Hong Kong. Besides, the SAR Government should facilitate cultural, academic and judiciary exchanges between Hong Kong and Taiwan. Since the practice of democratic politics, Taiwan's work on regional development and heritage conservation can better meet the needs of its local people. This can serve as a worthy example for Hong Kong. On the contrary, Hong Kong can also take the initiative to exchange its experience of judiciary independence with Taiwan. I believe that the relevant exchanges will create a win-win situation for both places.

Madam President, after the establishment of the "Three Direct Links" across the Taiwan Strait, the mode of economic and trade exchanges among the three places on both sides of the Strait will undergo a drastic change, coupled with the closer economic and trade ties among the three places, more problems are bound to arise in future. The SAR Government must adopt an active approach instead of a passive one and actively explore various policies to ensure that after the establishment of the "Three Direct Links", Hong Kong will still rally its advantages. In face of the new economic situation brought about by the "Three Direct Links", the Hong Kong Government must not be an absentee in the negotiation platform of the three places on both sides of the Strait. The Chief Executive must actively protect the interests of Hong Kong by showcasing the strength of Hong Kong on the one hand and accelerating the synergy effect of the co-operation among the three places on the other, and bring about an all-win situation for the Mainland, Hong Kong and Taiwan. However, the past performance of the SAR Government has given people an impression that the authorities are not familiar with the direction of the economic development of Taiwan. Neither has there been any expert responsible for dealing with economic and trade affairs of the three places on both sides of the Strait. The SAR Government should not have left all its policies on Taiwan to the Constitutional and Mainland Affairs Bureau.

Therefore, I move the amendment in the hope that the SAR Government will consider setting up a cross-strait economic and trade exchanges department in the Commerce and Economic Development Bureau to handle economic issues arising from the "Three Direct Links" across the Taiwan Strait in the future to prevent Hong Kong from suffering serious losses after the establishment of the "Three Direct Links".

Madam President, I so submit.

MR JEFFREY LAM (in Cantonese): Madam President, after being elected President of Taiwan, MA Ying-jeou has expressed a willingness to show goodwill to the Mainland and reiterated his commitment to resume negotiation between both sides of the Strait on the basis of the "1992 Consensus" and has been actively promoting the "Three Direct Links" across the Taiwan Strait. The initiatives proposed include the establishment of direct charter flights across the Strait by 1 July, the opening up of seven airports for direct flights and seven commercial harbours for direct cargo shipment, allowing the setting up of Taiwanese financial institutions in the Mainland, the removal of unnecessary regulations and restrictions of investment in the Mainland, that is, the removal of the 40% cap imposed on Taiwanese businessmen for investment in the Mainland, the liberation of mainland capital investment in the properties in Taiwan, and so on.

I believe that many people welcome the establishment of the "Three Direct Links" across the Taiwan Strait because the resumption of exchanges between both sides of the Strait will not only promote the prosperity of the two places but also break the deadlock both sides of the Strait were in when CHEN Shui-bian was in power, and it will also cultivate better mutual understanding, thereby hopefully improving the cross-strait relations. I believe this is a situation every Chinese is eager to see.

With the determination expressed by MA Ying-jeou and the aspirations expressed by both parties, it is believed that the "Three Direct Links" across the Taiwan Strait will soon be established. However, exactly what impact will the "Three Direct Links" have on Hong Kong? There are divergent views from the industry in general. Some people consider that once the "Three Direct Links" are established across the Strait, there will be direct passenger and cargo flights between the two places, and Hong Kong, which has been playing an intermediary role all along, will be hard-hit, with the aviation and logistics industries suffering the most severe blow.

On the other hand, some people think that the "Three Direct Links" across the Taiwan Strait will not create significant impact on Hong Kong because the Hong Kong economy possesses definite strengths and there are plenty of advantages in areas such as finance and the legal system. On the contrary, they consider that after the establishment of the "Three Direct Links" across the Taiwan Strait, there will be expansion in the economic and trade co-operation and interactions among the three places because quite a number of Taiwanese businessmen will take Hong Kong as the regional headquarter for investment in

the Mainland, which will result in the growth of the "pie" for economic development, of which Hong Kong will get a greater share.

Madam President, is the establishment of the "Three Direct Links" an adversity or an opportunity? We should look at some concrete data first. If the "Three Direct Links" are established, products from both sides of the Strait will not have to be re-exported in Hong Kong, and they will be exported directly to the other side of the Strait instead. Taiwanese goods accounts for about 6% of the annual container throughput of Hong Kong. As such, the business of 1.38 million of containers may be lost as a result. Besides, the total amount of trade for goods from Taiwan and the Mainland re-exported in Hong Kong amounted to US\$24.1 billion last year. I do not know how much of it will be lost. And the export value from Hong Kong to Taiwan last year was about \$53 billion. Although this figure only accounts for 3.4% of the total export value of Hong Kong, minor losses from various aspects will add up to a serious loss of business for Hong Kong. Besides, the extent of the impact created by the removal of the 40% cap imposed on Taiwanese businessmen for investment in the Mainland on the financial sector of Hong Kong is yet to be known.

I think we have to capitalize on the opportunities brought about by the "Three Direct Links", whether the establishment of such links will mean an adversity or an opportunity. With the amendment I have proposed, I hope that Hong Kong will make preparation for the challenges and strengthen the interaction and exchanges between the Mainland and Taiwan in order to give full play to its role in the economic and trade relations across the Strait, and to establish a mutually beneficial business platform in the Greater China Region for the three places across the Taiwan Strait. It is because the three places on both sides of the Strait have their respective advantages and they can complement each other and achieve the synergy effect through the co-operation among the three places, thereby creating an all-win situation for both sides of the Strait.

Hong Kong has to continuously expand its advantages in order to get a share of the "pie". For example, Hong Kong should pursue with the Central Government for the expeditious arrangement of the avoidance of double taxation with Taiwan. If this arrangement is implemented, the withholding tax imposed on the income of corporations such as interest and dividends will be greatly reduced or exempted. Moreover, the income generated by business activities and the staff during their short-term stay in the territory of the other party will not be taxed. However, at present, Hong Kong has only entered into the

relevant agreement with four areas, namely, Belgium, Thailand, the Mainland and Luxemburg, which has actually lagged far behind the other areas. As an initiative to promote business, such an arrangement with Taiwan can further consolidate the position of Hong Kong as a business platform and effectively facilitate bilateral economic and trade development or even the development in the Greater China Region.

Madam President, actually Hong Kong still possesses a lot of advantages. After the normalization of the economic and trade relations between both sides of the Strait, Hong Kong will still be able to play an important role. For example, when problems and disputes arise from the contracts between businessmen from both sides of the Strait, Hong Kong is the ideal region for arbitration because Hong Kong has a sound judiciary system and excellent legal services. With the increase in economic and trade activities between both sides of the Strait, there will be an increase in various commercial disputes. The fact that Hong Kong is on a par with the systems of the international community will effectively facilitate the handling of commercial disputes of the three places on both sides of the Strait. Last year, the Supreme People's Court has confirmed that the arrangement on mutual enforcement of arbitral awards between Hong Kong and the Mainland does not only apply to awards made by arbitral institutions such as the Hong Kong International Arbitration Centre, but also applies to awards made on temporary arbitration in Hong Kong.

Besides, when Taiwanese businessmen operate businesses in the Mainland, professional services in Hong Kong, such as legal, accounting, monetary and financial services, will still come in handy, and thus quite a number of opportunities will still be available. In fact, in the survey conducted earlier by the Trade Development Council, around 80% of the Taiwanese businessmen in Hong Kong interviewed have indicated that they will still use the services provided by the banking system and the port in Hong Kong to support their business operations in the Mainland even after the establishment of the "Three Direct Links"; and 70% of the Taiwanese businessmen in the Mainland have also indicated that they will maintain or increase their fund-raising activities in Hong Kong. The report has revealed that the Taiwanese businessmen in both Hong Kong and the Mainland agree that the business platform in Hong Kong possesses definite advantages. I think Hong Kong can become the Renminbi centre in Asia and provide services such as Renminbi bonds and Renminbi syndicated loans because Hong Kong has a sophisticated financial market, a sound set of laws and legal system and personnel with expertise. These are the advantages other places can hardly match up with.

Nevertheless, to strengthen these advantages, we have to strengthen the exchanges between Hong Kong and Taiwan as a complementary measure so that Taiwan will have a better understanding of our strengths. Therefore, I hope that under the framework of the Basic Law, the Government can strengthen its contacts with various sectors of Taiwan, expand mutual understanding, and promote mutual exchanges and co-operation among various organizations in order to establish diversified links. For example, we should organize more promotional conferences for professional services, economic and trade forums and exhibitions. Besides strengthening economic and trade relations, comprehensive in-depth exchanges in cultural and academic aspects should also be conducted so as to facilitate technical enhancement and improvements. There should even be suitable enhancement in official exchanges and contacts.

Regarding the amendments proposed respectively by Mr Alan LEONG and Mr Albert HO, we in the Liberal Party have reservation on them. With enhanced interaction between the two places, it is believed that the Commerce and Economic Development Bureau will slip up the work in this respect as a matter of course. However, if a new department has to be set up as a result, our structure and efforts will only be duplicated. As for the amendment proposed by Mr Albert HO, I think that in order for our country to achieve an all-round development, not only the development of democracy but also that of other aspects is very important. As for the arrangement of granting visa-on-arrivals to Taiwan travellers visiting Hong Kong suggested by Mr Howard YOUNG, it will be quite effective in enhancing the relationship between Hong Kong and Taiwan. Mr YOUNG will officially propose his amendment later on.

Madam President, I believe that as long as we do not restrain ourselves from making any progress, and actively develop our advantages to face the challenges instead, Hong Kong will remain one of the winners in the future.

Madam President, I so submit.

MR HOWARD YOUNG (in Cantonese): Madam President, both MA Ying-jeou, the new leader of Taiwan, and CHEN Yunlin, the former minister of the State Council Taiwan Affairs Office (that is, the incumbent Chairman of the Association for Relations Across the Taiwan Straits) have highlighted in their speeches recently that it is hoped that both sides of the Strait "will make more

efforts in promoting the progress of the 'Three Direct Links' across the Taiwan Strait and facilitating various economic and cultural exchanges and co-operation across the Strait". In this connection, it is expected that cross-strait charter flights at weekends will be implemented in July the earliest and will be further extended to daily charter flights by the end of the year. It is expected that charter flights will become normal flights next year. I believe that the economic and trade relations across the Strait will become closer by then.

The Liberal Party supports the motion proposed by Mr TAM Yiu-chung. Taiwan is the third largest market of the air passenger and cargo services of Hong Kong. The establishment of the cross-strait direct flights will inevitably deal a blow to the air passenger and aviation industries in Hong Kong. The two airlines which operate air services between Hong Kong and Taiwan have indicated respectively that after the establishment of the cross-strait direct flights, the number of flights between Taiwan and Hong Kong may be reduced. Of course, the number of flights from the Mainland to Taiwan may also be increased. Besides, the Hong Kong Tourism Board has estimated that as a result of this, Hong Kong may lose about 1.5 million Taiwanese same-day transit passengers, who are mainly passengers taking direct flights to Beijing, Shanghai and Xiamen. As for passengers to Guangzhou, there will not be any significant impact. In face of the new arrangement of the "Three Direct Links" across the Taiwan Strait, how can Hong Kong not make parallel plans to prepare for the challenges? Therefore, the amendment I propose today is to add "granting visa-on-arrival to Taiwan travellers visiting Hong Kong", to the original motion proposed by Mr TAM Yiu-chung, hoping that with closer cross-strait relations, the Hong Kong Government will implement measures to provide further convenience to Taiwanese travellers visiting Hong Kong and promote trade and commercial ties as well as tourism between Taiwan and Hong Kong.

Taiwan is one of the major tourism markets of Hong Kong. The number of Taiwanese visitor arrivals in 2007 amounted to more than 22 million, which accounts for 7.9% of the total number of visitor arrivals, representing an increase of 2.8% compared with that of last year. However, the visa application arrangement for Taiwanese travellers visiting Hong Kong is not convenient enough. Under the current immigration arrangement, Taiwanese-Chinese have to obtain an entry permit for visiting Hong Kong, and the application has to be submitted to the Immigration Department of Hong Kong via authorized airline offices in Taiwan. Although the Immigration Department

claims that the processing time is only five working days, sometimes it takes two weeks upon application submission before Taiwanese visitors can actually obtain the permit. On the contrary, it takes only three days for Taiwanese visitors to apply for a visa to Japan. Compared with over a hundred countries which have secured visa-free access to Hong Kong, it is indeed inconvenient.

Just now, I have noticed that Mr Albert HO seemed to imply the question of why Mr TAM Yiu-chung had not proposed this motion in the past. I wish to point out that as early as at the meeting held in December 1997, I have moved a motion urging the Government to relax the immigration arrangement for Taiwanese visitors. Back then, I suggested that the Government should implement measures to relax visa application for Taiwanese visitors and consider granting visa-free access to Taiwanese holding the "Mainland Travel Permit for Taiwan Residents" (commonly known as "Travel Permit for Taiwan Residents"). In June the following year, in response to the request, the Government allowed holders of a valid "Travel Permit for Taiwan Residents" with a valid entry/exit endorsement for the Mainland to stay for up to seven days in Hong Kong as visitors, provided normal immigration requirements are met.

At that time, this new arrangement was a breakthrough, but it could only benefit those Taiwanese who have to go to the Mainland. Therefore, I further requested the Government to consider providing Taiwanese visitors visa-free access to Hong Kong and allowing them to stay up to seven days, provided that a valid document and a valid air ticket to a third country, including mainland China, can be produced, as in the case for mainland visitors. Unfortunately, this proposal has not been taken on board by the Government so far. I believe that this proposal can help in promoting Hong Kong as an aviation hub. It will be quite a desirable arrangement to provide visa-free access to Taiwanese and allow them to stay for a few days when transiting Hong Kong to a third place.

Both Taiwan and Hong Kong are famous tourist cities in Asia with their own abundant tourism resources, and there are frequent tourist visits between the two places. In the light of this, Taiwan has implemented the visa-on-arrival arrangement for Hong Kong residents — I have tried this arrangement before. On the basis of equity and mutual benefit and the promotion of bilateral relations, Hong Kong should also implement such a visa-on-arrival arrangement for Taiwanese visitors. Actually, Macao allowed Taiwanese visitors to apply for visa-on-arrivals a decade ago. Both Macao and Hong Kong are special

administrative regions. Why is this possible in Macao but not in Hong Kong? With the position of Hong Kong as the major tourism region in Asia, how can our immigration policies lag behind those of the others?

The Liberal Party and the tourism industry have all along been urging the Government to put additional efforts in relaxing the immigration policy on Taiwanese visitors. The Government has actually made improvements, for example, it has extended the validity period of the permit, shortened the processing time for application, implemented the fast-track visa service and so on. In 2002, it has also put in place the iPermit service to provide further convenience to prospective Taiwanese visitors to Hong Kong. However, under such measures, visitors are still required to queue up and submit their application at designated places. As such, how can such measures be compared with the convenience and speed provided by the measure under which Taiwanese visitors are allowed to apply for entry visas right at the airport? With the establishment of closer ties between both sides of the Strait, the Hong Kong Government should expeditiously relax the policy on the granting of visas to Taiwanese visitors, including implementing the arrangement for visa-on-arrivals, in order to provide visitors with the greatest convenience, thereby attracting more Taiwanese visitors to stay in Hong Kong. In this way, not only will the blow dealt by the "Three Direct Links" across the Taiwan Strait be cushioned, but the local tourist industry and economic development will also be boosted.

Madam President, I wish to make it clear here that only visa-on-arrivals but not visa-free access is mentioned in my amendment. I remember the last time when I raised this issue, the Secretary for Security said that the provision of visa-on-arrivals will create much hassle as visitors will have to queue up for the application and the counters will also be jammed, and thus it is better to arrange for prior applications, which I think is very true. Therefore, I have not proposed replacing the existing visa by visa-on-arrival, and am merely proposing that it be implemented as a supplementary measure. Let me cite an example. I have recently visited Thailand, which has already allowed residents from the Mainland to apply for visa-on-arrivals. All they have to do is to pay 1 000 Baht. However, I find that most of the people from the Mainland have already made prior applications for visas because they think that if they have not obtained the visa beforehand it will be better if they have more time to make their application. However, if people wish to go on a trip out of a sudden, for example, to go on a trip during the weekend and so on, and do not have enough time to apply for a visa beforehand, it is not a bad idea to allow for the

application of visa-on-arrivals as a supplementary arrangement. This is the point I wish to make clear in particular.

As to whether or not they should be further allowed to apply for visa-on-arrivals, or whether or not they will be granted visa-free access in future, as in the case of over a hundred countries at present, we had better leave for the next stage.

MS MIRIAM LAU (in Cantonese): Madam President, upon the change of political power in Taiwan, cross-strait relations have thawed out. Both sides of the Strait have made a series of friendly gestures on the political as well as the economic levels. With such a relax atmosphere, Hong Kong can actually further enhance its economic and trade relations with Taiwan, including promoting with Taiwan arrangements for the avoidance of double taxation, which has all along been the concern of the shipping sector.

As a matter of fact, Taiwan has included in its agenda the issue of the avoidance of double taxation. Earlier, the Executive Yuan of Taiwan has indicated that it is examining the issue of amending the Act Governing Relations between People of the Taiwan Area and Mainland Area to allow the entire investment income generated by Taiwanese businessmen with their investments in the Mainland to be used for making up for tax revenue. After assuming office, MA Ying-jeou has indicated his wish for entering into integrated agreements for economic and trade co-operation with the Mainland in the future in order to solve problems such as double taxation.

Although Hong Kong has all along been acting as a bridge between mainland China and Taiwan and maintaining a close economic and trade relation with both places, if Hong Kong does not expeditiously promote with Taiwan similar arrangements for the avoidance of double taxation, with the rapid economic and trade development across the Strait, it is likely that Hong Kong will be marginalized.

If arrangements with Taiwan are made by Hong Kong for the avoidance of double taxation, not only will the position of Hong Kong as a business platform be further consolidated, thereby effectively promoting bilateral economic and trade development and even the development of the Greater China region, but it will also be conducive to the development of the shipping industry of Hong Kong.

Due to the international nature of shipping operations, shipping companies are more susceptible to double taxation than other taxpayers. If Hong Kong has entered into agreements for the avoidance of double taxation or made similar arrangements with other areas or countries, the tax burden of local shipping companies will be alleviated and their administration costs for tax purposes will also be decreased, which will in turn lower their costs of operation and help maintain their competitiveness in the international market. Judging from the general economy of Hong Kong, expanding the network for the arrangement of the avoidance of double taxation is conducive to business operations. It will also be able to attract more overseas shipping companies to invest in Hong Kong and strengthen the position of Hong Kong as an international maritime centre.

To my understanding, the Hong Kong Special Administrative Region (SAR) Government has currently made double taxation relief arrangements with 14 trading partners. The relevant arrangements are made in different forms, including reciprocal tax exemption, agreement for the avoidance of double taxation covering shipping income, as well as comprehensive agreement for the avoidance of double taxation (CDTA). Among such arrangements are the CDTAs made with the four places of Belgium, Thailand, the Mainland and Luxembourg as well as non-CDTAs made in different forms with other places.

This is the key of my amendment to the amendment proposed by Mr Jeffrey LAM. My amendment is actually only a technical one because the implementation of the avoidance of double taxation does not limit to the signing of agreements. The same purpose can be achieved through various means. Over the years, the shipping sector has been hoping that arrangement with Taiwan can be made for the avoidance of double taxation because there is basically an adequate legal framework in both places to support the implementation of the reciprocal tax exemption, that is, the first form of arrangement I have referred to earlier. Therefore, as long as both governments can work together in earnest, the implementation of the relevant arrangement should not be a big problem.

In Hong Kong, reciprocal tax exemption is provided for in section 23B(4A) of the Inland Revenue Ordinance so that shipping companies in Hong Kong will enjoy the tax relief offered by places with similar reciprocal tax exemption legislation. Similar legislation is in place in Taiwan. Article 4, Section 1, Chapter 1 of the Income Tax Act of Taiwan stipulates the businesses

on which profits tax is exempted, which includes "profits derived from business operations by foreign international transport operators within the territory of the People's Republic of China, provided that the same tax exemption is provided by the country concerned to the international transport operations of the People's Republic of China".

Of course, the relevant shipping companies or ship-owners have to obtain authorization from the local government before they can enjoy tax exemption. Unfortunately, to my knowledge, it seems that the Taiwan Government has not been very keen on granting such authorization or promoting arrangements of the avoidance of double taxation in this respect. Therefore, the arrangement for the avoidance of double taxation between Hong Kong and Taiwan has not been implemented so far.

Madam President, the unco-operative attitude adopted previously by the Taiwan Government is very likely to change under the current new political situation. I very much hope that the SAR Government can capitalize on this opportunity and actively explore the most appropriate means, including the use of the current legal framework, to promote with Taiwan arrangements of the avoidance of double taxation.

Madam President, I so submit.

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Cantonese): Madam President, I will speak later.

MR CHIM PUI-CHUNG (in Cantonese): President, our discussion today is on "Opportunities to Hong Kong brought about by the thawing cross-strait relations". But is this the reality? Basically, it can be said that there is not any formal channel for us to know, and we can only express our opinions based on the media or other coverage.

We have strongly doubted why the affairs of China or Hong Kong can be discussed in the United States. Of course, the issue under discussion today may also involve Taiwan affairs, and our major concern is what opportunities Hong Kong will have and how Hong Kong can adapt to this environment.

President, we know that since the liberation of China by the Chinese Communist Party in 1949, the Kuomintang has moved to Taiwan under the leadership of CHIANG Kai-shek, and it has been almost 60 years now. During the 58 years before that, Taiwan had been ruled by the "Japanese chaps" — it is Japanese, I should not have addressed the others as "chaps", this is not polite — ruled by the Japanese, and that was 117 years ago. The majority of the native Taiwanese people are not Chinese in sentiments, in root and in heart. Under such circumstances, we can understand why they have a different understanding. Therefore, many people have advocated that the internal affairs of Taiwan should be resolved by Taiwan itself. These people are those who do not understand the overall history and situation of China.

We have to appreciate that Taiwan is an inalienable part of China. Of course, they can express their opinions whenever they have any. We can see that during this period of the presidential election held on 20 March in Taiwan, a referendum was also held, and 5.5 million Taiwanese people have expressed their hope for Taiwan to join the United Nations under the name of Taiwan. I strongly believe that the relevant government departments are also aware of and understand this aspiration. However, this is not the main purpose and objective of our discussion today.

President, we have been stressing the impact of the future "Three direct Links" on Hong Kong, and we also have to make comments based on our local conditions. Hong Kong claims — and the Central Government also acknowledges that — to have four strengths, one of which is tourism. I personally think that there is no need for the tourist industry to worry about the issue of the "Three Direct Links" because for the majority of the citizens or residents from both sides of the Strait, if Hong Kong has a lot to offer, they will definitely take a route via Hong Kong when travelling across the Strait. They will stop over in Hong Kong for shopping or other activities in order to take a complete trip. Therefore, regarding tourism, the most vital issue is how Hong Kong can enhance its own attractions.

The second issue is of course on trade. Since ancient times, that is, for a few decades, the trade status of Hong Kong has always been widely recognized. With the change in the environment and the goods, and the variables caused by different matters, the importance of a certain place will be affected. In any case, Hong Kong can still provide more freedom and convenience than other places and countries in its physical environment, procedural arrangements and

legal services, and is also enjoying a high status. This is beyond doubt and challenge. However, the success or otherwise hinges on the businessmen's own efforts in leveraging their strengths and competitiveness. Therefore, it will be much better if the Government can provide some guidance to assist them in their adaptation; otherwise, the approach adopted by the Government will on the one hand be active non-intervention, on the other hand, it will be leaving them to flourish or perish as they may.

Regarding transportation, especially air transport, I personally think it will definitely suffer some blow. We are aware that in the past, there have been more than 2 million Taiwanese visitor arrivals to various cities and places in the Mainland travelling via Hong Kong for business and activities such as sight-seeing and visiting relatives. Once direct links have been established, Hong Kong will inevitably face competition. No single party's interests will be secured at all times. In this connection, I think the Cathay Pacific, as a major airline, is highly adaptable. Under such circumstances, we also understand that concerns will naturally arise, as in the case of Macao where tremendous competition has arisen in the development from one casino to six betting licences issued at present. However, when such a large "pie" is baked, better benefits and more revenue will be generated than before. This is a perfectly normal development. Adaptability is naturally required for survival in a free society in which progress is made through competition.

About financial matters, I personally estimate that there are about 15 Taiwanese-funded brokerages in Hong Kong. They can take advantage of their connection with other Taiwanese capital, and so on — some of them even operate their own banks — to adapt to the Hong Kong market. On the contrary, how many brokerages of Hong Kong can actually enter the Taiwan market? The established policy of the Hong Kong Special Administrative Region (SAR) Government is to not provide any assistance or help, while opening up the local market to the others at the same time. I still hope that a review will be conducted by the authorities some day.

President, having said all these, I also agree with the views of two or three Members on the issue of visa. From news reports, we know that Taiwan will remove the arrangement of visa-on-arrival for Hong Kong and even provide visa-free access to Hong Kong. In this regard, Hong Kong may take corresponding actions not only to Taiwan, but also to many different places, such as the three countries in Indochina, namely Vietnam, Cambodia and Laos. The

Hong Kong Government should take the first step forward to explore how its advantage of "one country, two systems" can be enhanced and capitalized in order to provide better services to communist countries which developed ties with China in the past. This also involves the issue of future competition between Taiwan and Hong Kong.

MS EMILY LAU (in Cantonese): President, Mr TAM Yiu-chung has proposed for discussion the motion of "Opportunities to Hong Kong brought about by the thawing cross-strait relations". Mr TAM Yiu-chung has mainly proposed to "strengthen the close ties between Hong Kong and Taiwan in respect of finance, economic and trade, aviation and transportation, tourism, technology". I will not raise any opposition to these. However, I am very glad that Mr Albert HO has added "exchanges in respect of politics, culture", and he has also put it right because in Taiwan, especially during the last election, the Kuomintang has won and Mr MA Ying-jeou has gained victory by a wide margin of more than 2 million votes and is elected President, which can be said to be an example of democracy. I find it strange that the Democratic Alliance for the Betterment and Progress of Hong Kong (DAB) has not mentioned this event. That is why I said Mr Albert HO has put it very well, and he has added these points to the motion. Politics and economy are two sides of the same coin, and we cannot discuss the development of just one of them. I think many people of Hong Kong and those around the world have found the development of Taiwan encouraging, and I personally think that the extent of corruption in the CHEN Shui-bian administration is extremely infuriating.

Mr TAM has raised the question of what Hong Kong can get from this opportunity. He has explained that it is mainly the development of the aspects mentioned earlier, "thereby enhancing Hong Kong's competitiveness and facilitating the four places on both sides of the Strait to achieve a win-win situation". I also agree with this. President, in the past, we might have benefited from the abnormal cross-strait relations, but when the relationship is gradually returning to normal, some of us are getting scared. However, this is what the normal relationship should be, and so we have to take some actions in response, for example, Mr TAM has said that we have to enhance our competitiveness, and many Members have also proposed their amendments. I also think it is nothing wrong, but we have to face the fact that there should be a normal relationship.

However, not only their situation but also our encounter is abnormal. President, the whole group of us is not allowed to return to the Mainland. The DAB has mentioned the so-called win-win situation for the four places, but it has not mentioned about us. Regarding the fact that we are not allowed to return to the Mainland, some of them just said that we should know it well enough. President, when this side is not all right, should the other side also know it well enough? They have just told half of the story and kept the other half of it to themselves. If possible, he should not have included Hong Kong in it, but he wishes to talk about the four places on both sides of the Strait. When many of us are not allowed to return to the Mainland, how should we conduct communication and exchanges and achieve a win-win situation for the four places on both sides of the Strait?

Today is 4 June and many of us will go to the Victoria Park later. I believe that some people in Taiwan may also pay tribute to the deceased. Nineteen years ago, a massacre took place in Beijing, and President MA Ying-jeou has also said that he supports the vindication of the 4 June incident. However, what about our position — this is what Mr TAM has raised — what role are we playing? We are a part of China and under the rule of Beijing, but we are still enjoying these kinds of freedom. I believe the Taiwanese people also long for what we can do. Therefore, I find it strange that the DAB has not mentioned these things. In the past, many people have mentioned certain things, President, you may also recall that someone has mentioned that we should work for the betterment of Hong Kong, and that Hong Kong is an example for Taiwan: "When they observe your situation, they will know that it is 'one country, two systems'." Taiwan has long been told about this, yet it has indicated that it does not want our "one country, two systems". In the so-called "one-country, two systems" proposed to Taiwan, there are more that Taiwan can enjoy compared with Hong Kong. They can have their own army. However, Taiwan still refuses to have it. For many years, people have been saying that the most important thing is to work for the betterment of Hong Kong for Taiwan to see, so that Taiwan will know that after the return of Hong Kong to China, "high degree of autonomy", "Hong Kong people ruling Hong Kong" and "one country, two systems" are all feasible.

This is not mentioned in the motion. I do not know whether the DAB does not want even this. Of course, it is impossible for Hong Kong to serve as an example to the Mainland. Therefore, the only thing that we can refer back to is the win-win situation for the four places on both sides of the Strait.

Therefore, the most important thing is to work on our competitiveness, that is, everything is fine as long as we can feed ourselves. I think this is understandable. Mr TAM has said that we have to attract more investment into Hong Kong. We welcome investment from not just the Taiwanese people but also people around the world. As Deputy Chairman of the Business Facilitation Advisory Committee, I surely think this way. Therefore, I welcome everyone's investment in Hong Kong, but I will not etch on my forehead: We welcome Taiwanese investment more.

Although the Secretary has refused to speak, he actually knows that we are not trying to be personal. Just that he wishes to listen to us before speaking so as to avoid being criticized by us in our speeches. However, the policy is problematic. But as far as this issue is concerned, President, I understand the Secretary's situation. It is because I believe this is actually the policy adopted by Beijing. However, the Secretary may have taken an inferior approach in implementation, which is especially upsetting and has made people query whether there is any room for manoeuvre. Some people have been barred from entering Hong Kong and even their senior officials are not permitted to enter Hong Kong. An application can be shelved for months or even for years, and even when permission for entering Hong Kong is granted, certain conditions are imposed, and people have to sign some documents agreeing to meet these conditions. This kind of treatment is very insulting. President, I do not know why the SAR Government has to adopt this approach. Perhaps the Secretary can clarify this later because some people have been saying this all along. Therefore, I think this policy warrants revision.

However, among the current opportunities, I wish to tell the DAB that the most important opportunity is actually to enable the leaders of the Central Authorities to know how valuable democracy is through the experience of Taiwan. Of course, I very much hope that Mr MA Ying-jeou can succeed in transforming Taiwan into a place free of corruption and I hope that he can really establish the rule of law, and that they can really have an independent judiciary and an independent legal system. Some systems in Hong Kong are left behind by the British, and now some people may wish to bring them down. Some people have even said that Hong Kong is ruled by the Judges, therefore a few years ago the mass media have been "fixed", and now they have to "fix" the Court. These remarks are indeed shocking. President, I hope the DAB can understand and accept that while it is important to facilitate economic contacts, it is equally important to facilitate exchanges in political development.

MR RONNY TONG (in Cantonese): President, just now Mr Albert HO has pointed out that Mr TAM Yiu-chung may have proposed this motion because "the duck is the first to know when the water of the Spring River gets warm". President, I do not know whether the "Spring River" he is referring to is the Kong River, Hong River or the Northern River, and I do not know what kind of a "duck" it is, but I hope that it is not a "speculative duck".

President, all I know is that the stance adopted by the Special Administrative Region (SAR) Government regarding Taiwan relation, whether it be the political or economic relation, can only be described in these words — "fathom the leadership's thoughts and exercise self-censorship". The best example I can think of is that in January 2005, a "Hong Kong-born guy" wished to visit Hong Kong, but the SAR Government turned him down and said that he was not allowed to access Hong Kong. I still remember that we raised a question and supplementary questions in the Legislative Council at that time, and Secretary Mr Stephen LAM — sorry, I forget whether it was Secretary Mr Stephen LAM, anyway it was the representative of the SAR Government — advised that there was no need to provide any reason, and at that time the Democratic Alliance for the Betterment and Progress of Hong Kong expressed support to the Government's stance. The most interesting point is that the Central People's Government Liaison Office had made a public remark that MA Ying-jeou was welcome to visit Hong Kong, and it had pointed out that the Hong Kong Government had not informed the Central Authorities before refusing the visit of MA Ying-jeou. Shortly afterwards, Mr YANG Wenchang, the Commissioner of the Ministry of Foreign Affairs of the People's Republic of China in SAR, also made the same remark. He said that the Hong Kong Government had not informed the Central Authorities about it. Of course, regarding the relationship with Taiwan, strictly speaking, it is basically an internal affair instead of a diplomatic one because under the principle of political correctness, Taiwan is a part of China. Therefore, in handling immigration affairs, there is actually no need to inform the Central Authorities. However, why did the SAR Government adopt such an interesting attitude on the surface?

Regarding democratic development, President, we can see that Taiwan can be regarded as a latecomer becoming a pioneer. It is the first time the Kuomintang rules with a democratic mandate, and it is also the first peaceful handover of Taiwan's political power over the ballot box, while our SAR is still struggling with the definition of universal suffrage. Will it be 15, 20 or even 25

years from now when we can exercise universal suffrage? In fact, is Taiwan not exactly the most convenient example for us to learn from? It takes only one hour to fly to Taiwan. Mr Albert HO has said just now that "the duck is the first to know when the water of the Spring River gets warm". I would say "proximity to the water provides a favourable position for admiring the moon". Unfortunately, however, in constitutional development, the only thing that Hong Kong people do is to sigh at the sight of the moon.

On the economic front, President, we have always been caught in the middle of the political wrangles across the Strait. Frankly speaking, before the return of Hong Kong to China, the people of Hong Kong have received economic benefits for historical reasons. To put it in harsher terms, we have been making money out of the calamities of our country. Now that the cross-strait relations are beginning to show signs of hope, the people of Hong Kong are worried that our historical edge will be lost, and have requested the Central Government never to forget Hong Kong people in the negotiation. This is very embarrassing indeed.

The Hong Kong Government only knows how to beg but not act all the time. When we ask what improvement the SAR Government has made on the work on the visa-free arrangement for Taiwan, the answer is nil. Although Taiwan is one of our major trading partners, we have never set up any economic and trade office in Taipei. More interestingly, on the eve of the establishment of the "Three Direct Links" across the Taiwan Strait, the SAR Government has advised the media complacently that it has earmarked \$1.5 million to prepare for the "Three Direct Links" across the Taiwan Strait. The allocation of only \$1.5 million is not even enough to pay the wages for the Political Assistants to Director of Bureau for one year. This is the effort made by our SAR Government on the relationship with Taiwan and on politics.

President, when there is a bright prospect for the "Three Direct Links" across the Taiwan Strait, should Hong Kong people merely focus on cashing in on it? As a member of Hong Kong, I am actually ashamed of it. I think that on both the political and economic aspects, Hong Kong and Taiwan should learn from each other and support each other, instead of exercising self-censorship and self-restraint primarily out of political considerations for the purpose of making small gain, and wavering in its political stance like the willows by the river which move to the wind.

President, I think the people of Hong Kong should certainly support this motion. I believe that the SAR Government will also give its support to it. However, I think some Honourable colleagues of the Liberal Party have been a bit over the top when they made their speeches just now. On the premise of the broad principle I have mentioned just now, they have even put the focus on fault finding or the argument on the wording, and have considered a certain amendment not worth supporting or expressed reservation about a certain amendment. This actually demonstrates a lack of a broad vision.

President, although the motion today is meaningful, I wish to ask Honourable Members whether they have, before proposing the motion, searched their hearts as to whether this is a correct point of view under the broad principle of the policy on Taiwan.

MR LEUNG KWOK-HUNG (in Cantonese): President, this evening, an assembly commemorating the 4 June incident will also be held in Taipei. Currently, the international media has focused on whether MA Ying-jeou will attend the gathering. This is typical of the cross-strait relations because before being elected President, MA Ying-jeou commented that it was not worth discussing reunification without vindicating the 4 June incident. Would Mr MA, a Hong Kong-born Chinese, attend the assembly this evening?

Some people believe that Mr MA should preferably not attend the gathering because of the current thawing opportunity. This is indeed a problem. I do not know what is on the mind of my colleagues in this Council and whether they believe that Mr MA should attend the assembly. In my opinion, he should attend the gathering. Actually, Taiwan is not without experience of the grief brought about by the 4 June incident. There was the "2/28" massacre during which, according to historical records, there were killings among Chinese people. According to separatists in Taiwan, there were extraprovincial people killing original-province people.

Hong Kong is unique in the sense that we are being trapped in the middle. We share the experience of Taiwan, and we were once ruled by foreigners. Actually, the candlelight to be lit in the Victoria Park this evening will not only shine on our hearts, it will also reflect a truth, that is, we will not forget the dead. In other words, we will not forget the experiences of our 1.3 billion compatriots in the north. We share their feelings deeply.

Next, I would like to quote a poem of Mr LU Xun, though I quoted it once before: "In the long, dark nights of spring, I am inured to fleeing with my wife and children, with grey locks flying. In my dreams, I vaguely saw my mother in tears and bandits' banners come and go on the city wall. Suppressing my wrath on hearing my friends' recent death, I decided to compose an angry poem in this night of bloody knives. But having done so, I found nowhere to write it down, seeing only my moonlit dark clothes." LU Xun was then mourning for five Communist Party cadres. All of them were writers and were killed by the Kuomintang (KMT). The fights between the KMT and the Communist Party had resulted in separate administration of both sides of the Strait. However, we have just witnessed the imminent co-operation for the third time between the KMT and the Communist Party as the Chairman of the KMT made a trip to the Mainland to meet with the Chairman of the Communist Party.

I do not know what is currently on the mind of Mr MA Ying-jeou. I hope that when night falls, he will hold a candle in his hand, as what he has been doing over the past 18 years. Actually, Hong Kong is the place where the Chinese people from Taiwan, the Mainland, Hong Kong, Macao and even other parts of the world can gather together. Here, we have freedom, which is lacking on the Mainland, though universal suffrage is still not implemented. However, has it ever occurred to us that the cohesion of a country or a language system is based on culture or historical recognition while we are talking about economic links across the Strait? Economic links can foster frequent exchanges between two places. For instance, Canada and the United States are basically of the same people and the same race. Why should they exist as two separate nations?

Actually, I wish to speak here today to make this appeal to my colleagues in this Council: We should take prompt action to turn the 4 June incident from saddening us to embodying the spirit of our nationals, and turn it from something bad to bringing home to our fellow citizens that one-party rule should not be allowed in our country, and democracy and freedom should reign instead. I wonder where my colleagues in this Council will go this evening. However, I will certainly attend the assembly held in the Victoria Park.

Honourable Members, when you ask Taiwanese about their perception of the "2/28" incident, try to say that you approve of the shootings and killings in the incident and see what response you will get. When Taiwanese visit Hong Kong and say that the 4 June massacre was actually inevitable or else things will

not be the same today, and the so-called opportunities will not exist today, will you understand how they feel? Should they take a step closer or farther away?

I sincerely hope that my colleagues in this Council can consider this point. Should they be able to meet the leaders of the Communist Party, please tell them that the 20th anniversary of the "June 4" incident should be (*The buzzer sounded*) time for the entire nation to reconcile.

Thank you, President.

DR KWOK KA-KI (in Cantonese): Madam President, today is a very special day. As we all know, today is 4 June, and Mr TAM Yiu-chung happens to propose a new motion. The motion is quite meaningful because it begins with "as the new political situation in Taiwan presents major opportunities for the peaceful development of cross-strait relations". It is precisely for this reason that this new motion has come into being.

The new political situation in Taiwan originates from a bottom-up democratic political system, thus resulting in certain opportunities, which can be regarded as the consequences of the change in power between the two political parties as well as the unique democratic political system in Chinese society. A top-down approach, bureaucratic will, or the subjective wish of the Central Government can definitely not result in these opportunities being pursued and developed peacefully.

This motion reminds us of two persons. One of them is certainly a Bureau Director in attendance. Let me quote the words spoken by one of my colleagues earlier: The incumbent Taiwan President, a former mayor, will certainly regret the Secretary's previous dilatory attitude towards Taiwanese political figures, complete lack of proactiveness, and decisions which are far from forward-looking.

The second person who strikes me with regrets is Mr Paul YIP, the special adviser of the Government of the previous term — Members might probably have forgotten him. He was entrusted with important tasks years ago to, *inter alia*, build cross-strait relations between Hong Kong and Taiwan, and ponder over how Hong Kong can play an important role through the cross-strait relations. Nevertheless, unfortunately and regrettably, the HKSAR had failed

completely in playing a supposedly important role in cross-strait relations, or doing anything, even until the miserable stepping down of Mr YIP.

As pointed out by some colleagues earlier, this motion proposed today is entirely attributed to our knee-jerk response as to the doubt over whether the "Three Direct Links" across the Taiwan Strait will undermine Hong Kong economy and affect Hong Kong's economic income in respect of such key areas as finance, economic and trade, aviation and transportation and tourism. Perhaps this is the most important basis of the motion. However, I believe this is not what has been witnessed by the people of the two or three places.

Members might have forgotten that the first election of the Taiwan legislature was actually held later than the first election of the Legislative Council in Hong Kong. This is because the ban on politics in Taiwan had not yet been lifted at that time, and the Kuomintang had not taken the initiative to share its power with Taiwanese. In Hong Kong, however, elections had already been introduced, though at a relatively slow pace. Unfortunately, as we witness Taiwan people rejoice to see the election of their new President today in 2008, political developments that make us feel ashamed are still being discussed in the political arena in Hong Kong — universal suffrage will not be implemented in 2012, and the so-called universal suffrage, to be implemented separately in 2016 and 2020, is even void of substance and embedded with many screening mechanisms. What is more, it is not election by universal and equal suffrage. Functional constituencies, which are considered quite old and outdated in our political framework, are even repackaged and presented to us as something new — what feelings can we have?

If it is said that Taiwan can serve as an example, it is an example not only for Hong Kong. I believe it will produce a substantial impact on the Mainland too. I believe, and am convinced, that when our Motherland moves towards further development, democratization of politics and political development will become inevitable.

However, the HKSAR Government has not only failed to fulfil its responsibility, it has chosen to stay at the back when playing its own role by performing tasks considered to be the safest, conservative and praise-worthy. The Government's approach would only make us feel ashamed when facing our Taiwanese compatriots. We cannot but ask this question: Why must the Government act in this manner? Originally, our Government was not like this.

Back in the 1980s, the Government was not heading in this direction. Today, however, our heads cannot even be lifted. We are still entangling ourselves with some inconceivable discussions on topics such as functional constituencies, so-called political elections with screening elements, and so on, whereas universal suffrage will still not be implemented in the near future.

I wonder if it would still be meaningful for us to discuss this motion today had Mr Albert HO not proposed an amendment to add "their sharing of experience on civil society and democratic development". For us, we have no idea what expressed views are already included. For our Government, it is perhaps most important that it can continue to keep its position at the back and seek instruction from its boss, that is, the Central Government, as to how to proceed more safely. Nevertheless, speaking of safety, I believe the motion is very safe as it is proposed by a colleague from the Democratic Alliance for the Betterment and Progress of Hong Kong, who must have considered the matter again and again to ensure that the Central Authorities will not be upset. However, will the motion be conducive to the long-term development of Hong Kong? In what manner will it be helpful to the political development of, and implementation of democracy in, the three places on both sides of the Strait?

I hope we can refrain from purely considering the impact to be felt in such areas as finance, economic and trade, aviation and transportation, tourism, technology, and so on. Instead, I hope Members can look further afield and take a longer-term view. Anyhow, China still needs a democratic political system.

I so submit. Thank you, Madam President.

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

MR SIN CHUNG-KAI (in Cantonese): President, years ago, the Democratic Party published a study report in the hope of facilitating the establishment of a so-called Greater China free-trade zone. President, the motion proposed by TAM Yiu-chung today is about the opportunities to Hong Kong brought about by the thawing cross-strait relations. Of course, the emergence of a new government in Taiwan may heat up the cross-strait relations. However, Members should also be aware of the change in the ruling party for the second

time in Taiwan, as highlighted by Albert HO in his amendment. Taiwan is upholding a democratic system and democratic elections. While it may be warm today, it might turn cold tomorrow. Despite the fact that the Kuomintang is in power today, there is a chance for it to lose in the election to be held eight or even four years later, owing to possible change in the ruling party. By then, will we have to unwind what we have done now?

President, speaking of the "Three Direct Links" across the Taiwan Strait, people might get the impression that the important role played by Hong Kong as an intermediary will diminish. The role played by Hong Kong in the Greater China region as a whole, relative to the increasingly frequent contacts between Taiwan and the Mainland, will diminish with time. I recall the Secretary's comments made in a forum that there would be no problem as long as our regional development could continue. However, I think that this is inevitable. Hong Kong is in between Taiwan and the Mainland. Actually, the barrier between Hong Kong and the two places is the greatest. It must be understood that it is easier for Taiwan to communicate with the Mainland than with Hong Kong. First of all, there is no way for the Secretary to compare with Taiwanese, no matter how fluent he considers his Putonghua is. Taiwanese love binge drinking and drinking yellow wine, right? Shanghai is the same. The barrier facing us might get even more prominent.

I have always felt that, Secretary, if Hong Kong is to play a role, we actually have to consider how to promote the economic concept. According to the proposal raised by the Democratic Party years ago to set up a so-called Greater China free-trade zone, no tariff will be levied throughout the zone, and free trade will be conducted. Upon the establishment of this system, even when there is change in ruling party in the future, it will be increasingly difficult to unwind the system as exchanges would have become more frequent.

Of course, the Democratic Party is not merely eyeing economic development. More ideally, it is preferably the European Union is in the process of standardizing its currencies. Some people are also considering the possibility of promoting the idea of standardizing the currencies of Asian countries within the Asian-Pacific Region. Is it possible for our Greater China trade zone to promote unit currency in addition to free trade and tariff exemption? Can this be achieved? Having unit currency would certainly mean unification. I believe unification is not possible for Taiwan even after a considerable period of time. President MA has once hinted — actually, he has

explicitly indicated that he does not expect to see unification while in office. Actually, despite the substantial improvement in cross-strait relations, there is still a long way to go before unification can be achieved, because it is quite difficult for a place with democracy to unite with a place without it.

President, I hope our Secretary or our Government will not act too passively in dealing with cross-strait relations. Of course, the present title of our Secretary is Secretary for Constitutional and Mainland Affairs, without any mention of Taiwan. I believe even the Central Government will not allow the Secretary to handle Taiwan affairs. But still, I consider it inadvisable for the Secretary to act in such a passive manner, though he cannot change his title. But I think that he should However, he has all along given people an impression that he is quite passive. I believe that Hong Kong should play a more proactive role.

Albert HO's amendment highlights the point that more mutual visits should be arranged for politicians and the cultural sectors in Hong Kong and Taiwan. Actually, many visits to, and exchanges with, Taiwan are made by both the Democratic Party and the political circle yearly. On the contrary, we can see that the SAR Government has not done anything in this respect. Frankly speaking, as a Member of the Legislative Council, I have personally witnessed the visits paid by many overseas visitors to the Legislative Council, even though arranged by the Secretariat. People from different political parties and groupings might probably have been aware of these visits too. As a Member of the Legislative Council for more than 10 years, or almost 12 years, I have never formally received any Taiwanese delegations here in this Council. Though we have the experience of having meals and chatting with visitors coming to Hong Kong under the arrangement made by the Chung Hwa Travel Service, it is quite difficult, or even unprecedented, for Taiwanese delegations to make formal visits to the Legislative Council. I am not sure if the Secretary can perhaps I am being forgetful. The Secretary might probably recall one or two such occasions, but I feel that the frequency is very low.

I have received many overseas guests invited to visit the Legislative Council from all over the world. However, I have never received any delegations from Taiwan. I think the Secretary should act in a more proactive manner on this front. Actually, there are numerous think tanks in Taiwan. They might be very proactive and interested in visiting Hong Kong for exchanges. I hope the Secretary can play a more proactive role in developing

the new political relations. I even believe that more effort can be made in certain areas, particularly political debates focusing on four places on both sides of the Strait or the "one country, two systems". It is certainly easier to make effort in the cultural aspect, which is also less sensitive. However, more emphasis should be put on Hong Kong, Macao and Taiwan. Actually, Albert HO seeks to propose in his amendment that exchanges be carried out in Hong Kong by the four places across the Strait, including Hong Kong, Macao, Taiwan and the Mainland. But first of all, I hope the Secretary can invite, for instance, think tanks from Taiwan and members of Taiwan's legislature to come to Hong Kong for visits and exchanges, and even for observing the Legislative Council Election to gain an understanding of our electoral system. On the other hand, I hope the Secretary can actively promote cross-strait relations for better understanding.

With these remarks, I support Albert HO's amendment.

MR CHAN KAM-LAM (in Cantonese): President, during his election campaign, Taiwanese leader, Mr MA Ying-jeou, put forth a policy of setting up a "Cross-strait Common Market". After being elected, he had even indicated that he could discuss the "Three Direct Links" with the Mainland first and try his best to create a business-friendly environment for both sides of the Strait. The recent trip to Beijing by Kuomintang (KMT) Chairman, Mr WU Poh-hsiung, to begin a historic meeting between the KMT and the Communist Party has also brought good news for easing the tension arising from confrontation of both sides of the Strait in recent years. On the other hand, both the State Council Taiwan Affairs Office and the Association for Relations Across the Taiwan Straits have recently undergone personnel reshuffles to prepare themselves fully for proactive development of cross-strait relations. It is evident from various signs that cross-strait integration has become an irresistible trend, and normalization of cross-strait relations is just around the corner. Earlier Premier WEN Jiabao particularly stressed that, upon the establishment of the "Three Direct Links", economic exchanges across the Strait would only further facilitate economic development. Actually, the opening up of Taiwanese markets already implies the possibility of Hong Kong's room for expansion to be widened further. As economic and trade exchanges across the Taiwan Strait get more and more frequent, it is indeed worthwhile to explore how Hong Kong can seize such a great liberalization opportunity in order to achieve success in a stable environment.

The edge obviously enjoyed by Hong Kong upon the establishment of the "Three Direct Links" across the Taiwan Strait is attributed to its supreme position as an international financial hub across the Strait. At present, some 5 000 Taiwanese companies have their offices set up in Hong Kong to run their businesses on the Mainland. Whether they wish to enter the Mainland or get out of Taiwan, they may take full advantage of Hong Kong as an international financial hub, in addition to the "Three Direct Links", to expand their businesses. Among the four places on both sides of the Strait, only Hong Kong possesses the most favourable business environment to provide people on both sides of the Strait with development opportunities. Hong Kong is also a highly international city in our country. It has a large pool of talents trilingual and bilingual in Chinese and English, an advanced information flow system, direct transport links with the South China region, and very sound financial and legal systems. Owing to these favourable conditions, Hong Kong status as an international financial hub is affirmed by many enterprises on both sides of the Strait. Therefore, Hong Kong can, on the one hand, serve as China's gateway to the world and, on the other hand, continue to serve as an important platform for Taiwan's commercial and trading units to enter the Mainland.

However, there will be more and more opportunities for both sides of the Strait to engage in direct exchanges as a result of the thawing cross-strait relations. Inevitably, Hong Kong will lose some of its intermediary functions in assisting in the affairs of both sides of the Strait. In view of this, it is all the more important for Hong Kong to seize the opportunities by taking advantage of the economic and trade opportunities arising from the present thawing cross-strait relations in order to strengthen its role as an economic leader in the region to make up for some of its losses resulting from its diminishing role as an intermediary. Hong Kong's economic development can no longer rely solely on its local community economic system. It must integrate itself with the greater economic circle of the Pearl River Delta (PRD) and transform itself into a more competitive leader in the Pan-PRD region. According to the DAB proposal, a South China economic zone should be set up and Taiwan be included into the "Nine plus Two" Pan-PRD economy to facilitate further integration of the two markets practising free economy, namely Hong Kong and Taiwan, into the mainland markets. This will provide an opportunity for Hong Kong to transform from its role as an intermediary in the past to a regional economic circle. In our opinion, the SAR Government must view this opportunity with a strategic vision, or else it will lose an excellent opportunity for comprehensive economic planning.

Despite the concerns expressed by some people in the community that the opening up of Taiwanese markets will impact on Hong Kong and, in particular, logistics, tourism and financial industries might probably bear the brunt of the impact. While some basic elements will probably contribute to these concerns, and we also agree that we will be impacted negatively after the liberalization, what we have all along emphasized, as evident from what was previously said, is long-term and enormous economic and trade development. Hong Kong is perpetually a small, mature, self-adjusted economy and has been able to cope with external challenges in a stable manner over the years. In the face of the challenge brought about by the "Three Direct Links" across the Taiwan Strait, Hong Kong should be able to fulfil its wish as an economic and trade stronghold in the foreseeable future so long as Hong Kong can continue to give full play to its existing strengths and turn its adverse position into opportunities by virtue of the conviction of turning the crisis into an opportunity and the versatile spirit of Hong Kong people.

At present, we can already see the possible sign of the emergence of a common market under cross-strait integration. It is now time for us to make preparations, in view of the foreseeable frequent exchanges, to study and conceive supportive policies in respect of finance, trade, aviation and transportation, tourism, and culture. The SAR Government is duty bound to carry out work on these various fronts. It will be too late should the opportunity be missed because of a lack of supportive policies. As a key member of the four places on both sides of the Strait, Hong Kong is playing a decisive role in actively fulfilling its economic and trade role for the sake of the territory itself as well as the country, acting as a bridge for both sides of the Strait, rationalizing the disharmony arising from cross-strait integration, and providing economic and trade assistance. Meanwhile, by taking advantage of this role, the SAR Government should be able to create more business opportunities for Hong Kong people, introduce and promote more activities for economic and trade co-operation, put these unique strengths to good use and facilitate a win-win situation for the four places on both sides of the Strait.

I so submit. Thank you, President.

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

(No Member indicated a wish to speak)

PRESIDENT (in Cantonese): If no Member wishes to speak, I now call upon Mr TAM Yiu-chung to speak on the amendments. He has up to five minutes to speak.

MR TAM YIU-CHUNG (in Cantonese): President, insofar as various amendments are concerned, Mr Albert HO has added many political elements into his amendment, and this is predictable. I have proposed this motion in the hope of promoting economic and trade co-operation and development among the four places on both sides of the Strait. I consider this a task of top priority, and it has a bearing on the well-being of the people of the four places as well.

The last sentence of Mr Albert HO's amendment has caught my attention in particular. After being amended, the wording of the motion would be changed to "enabling the four places on both sides of the Strait to strive for building a democratic China to achieve a win-win situation". We consider the amendment unacceptable because the goal of our original motion would become narrower as a result.

The content of Mr Alan LEONG's amendment is very specific. It has proposed, among others, to set up "a cross-strait economic and trade exchanges department in the Commerce and Economic Development Bureau". Under the Government's existing structure, the Constitutional and Mainland Affairs Bureau, to be complemented by other Policy Bureaux, is responsible for co-ordinating mainland and Taiwanese affairs. The proposal currently raised by Mr Alan LEONG might, however, lead to structural confusion, though this is probably not his original intention. As his wording is very specific, we have reservations about this.

For these reasons, we will not support the two amendments.

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Cantonese): Madam President, I am very grateful to Honourable Members for their concern about the issue of Hong Kong-Taiwan relations and their valuable views expressed this afternoon.

Mr TAM Yiu-chung's original motion contains three key points. First, he expresses hope for Hong Kong to seize the major opportunities arising from

the peaceful development of cross-strait relations. Second, given his expectation for the "Three Direct Links" to be implemented shortly, Hong Kong's future positioning should be explored in this direction. Third, in his view, it is possible for the four places on both sides of the Strait to achieve a win-win situation through strengthening ties and exchanges between Hong Kong and Taiwan.

On the whole, Mr TAM Yiu-chung's original motion has reflected the new cross-strait situation. It can also demonstrate to us that the new situation arising within Taiwan is proactive and serves the interest of Hong Kong, and can therefore be supported by Honourable Members.

If we look back at the developments over the past three years since Chairman LIEN Chan accepted on behalf of the Kuomintang (KMT) Beijing's invitation to visit the Mainland in 2005, we will find that many new developments have taken place. The visit at the time was indeed a historic breakthrough. Over the past three years, we have seen improved cross-strait relations and changes in the internal situation of Taiwan.

Over the past several years, the Blue camp has seen constant progress in regional elections, legislature elections, and even the presidential election taken place in Taiwan in March, and has now been in power. This has changed the situation over the past eight years when the Green camp was in power, and has weakened the rule by separatists in Taiwan. Following the last presidential election, Taiwan has seen changes in its internal situation. The "Three Direct Links" is indeed possible.

The implementation of the "Three Direct Links" will have a significant impact on Hong Kong, given the close economic and trade ties between Hong Kong and Taiwan. Currently, Taiwan is Hong Kong's fourth largest trading partner, boosting a considerably high annual bilateral trade volume. In 2007, the bilateral trade between the two places reached US\$258 billion (Appendix 2), an increase of 5% over 2006.

Despite the prediction by quite a large number of economic analysts and enterprises that the implementation of the "Three Direct Links" will impact on various trades and industries in Hong Kong, such as aviation and transportation, tourism and re-export trade, on the whole, we think that the impact will be slight and short-lived. So long as Hong Kong's GDP can continue to grow, a yearly

growth would be enough to offset any adverse side-effects brought about by the "Three Direct Links" across the Taiwan Strait.

We have great expectations for the "Three Direct Links". If Taiwan enterprises enjoy wider scope for investment on the Mainland, and mainland capital is allowed to be channelled to Taiwan to operate businesses, then all enterprises, whether they are from the Mainland or Taiwan, would have to seek a way out anyhow provided that they can succeed and mature. By then, the best way out for them would be to list in Hong Kong's stock market as Hong Kong as a financial hub can offer them the best global links in the entire Asian region and serve as the best international investment centre.

The "Three Direct Links" across the Strait, if implemented expeditiously, will actually serve as a booster for Hong Kong to further develop itself as a global financial centre in Asia. Let us review Hong Kong's financial development in 2007. According to a report and the conclusion drawn by City of London, London ranks first in the global financial centre rankings, to be followed by New York and Hong Kong. The performance and achievements of Hong Kong in 2006 were quite good. In 2006, Hong Kong trailed behind London and surpassed New York by raising more than \$300 billion in initial public offering. Hence, we consider that the implementation of the "Three Direct Links" between Taiwan and the Mainland can strengthen Hong Kong's status as an international financial, aviation and transportation, and trading centre.

Hong Kong has been listed by the Heritage Foundation over the past 14 consecutive years as the world's freest economy. Why can we achieve this result? While there are numerous reasons for our success, a more important reason in recent years is that, with the implementation of "one country, two systems" in Hong Kong after the reunification, we retain our status as a member of the World Trade Organization (WTO). In 2003, following our country's accession to the WTO, we signed a free trade agreement, the Mainland/Hong Kong Closer Economic Partnership Arrangement (CEPA), with Beijing and, as a result, Hong Kong was cast by global investors in a more favourable light. Since then, the number of regional offices and regional headquarters set up in Hong Kong by mainland enterprises and global enterprises outside Hong Kong has continued to rise. In 2007, the number of such offices and headquarters reached 3 900, an increase of 55% over 1997, the early period after the reunification, and an increase of 22% over 2003 after the signing of CEPA.

Why should I make a special reference to CEPA? This is because I see that the four places on both sides of the Strait — including the Mainland, Taiwan, Hong Kong and Macao — are all WTO members. If Hong Kong and Macao can sign CEPA with the Mainland, Taiwan should be able to do the same. Following the implementation of the "Three Direct Links", the most proactive step is to explore the possibility of implementing free trade between the Mainland and Taiwan in accordance with the WTO agreement. I think it is worthwhile for us to consider the establishment of a free-trade zone comprising the four places on both sides of the Strait — including the Mainland, Taiwan, Hong Kong and Macao. If we are to explore and examine the matter in this direction, the SAR Government very much hopes that Hong Kong can participate and make contribution.

We are aware of a proposal raised earlier by the KMT of setting up a "Cross-strait Common Market". This concept is quite complex and difficult to manage. Whether it is possible for the Market to come into being is still not known for the time being. However, we need a starting point anyhow, and the best starting point is for us to explore free trade.

Several Members have expressed particular concern about the impact of the implementation of the "Three Direct Links" across the Taiwan Strait on Hong Kong. Our evaluation of the impact of the "Three Direct Links" across the Taiwan Strait on Hong Kong's aviation and logistics industries is as follows: The number of Taiwanese visitor arrivals by air to and from the Mainland through the Hong Kong International Airport was 2.7 million in 2007, representing approximately 11.2% of the Airport's annual visitor arrivals. At the same time, the capacity of air cargo going through the Hong Kong International Airport for transshipment was 280 000 tons, accounting for 7.4% of the Airport's annual cargo capacity. Assuming that the bulk of the cargo and passengers mentioned above will no longer pass through the Hong Kong International Airport for transit or transshipment under the most extreme circumstances, the overall passenger and cargo traffic of our Airport will drop by approximately 10% because of the operation of direct flights across the Strait. However, we believe that the actual situation will not be so extreme because a substantial number of people accustomed to engaging in re-export trade through Hong Kong and travelling to Hong Kong will continue to come here.

As for sea transport, despite the establishment of the "Mini-three Links" in 2001, cargos from both sides of the Strait have continued to be delivered to and from the Pearl River Delta (PRD) region through Hong Kong. In 2007,

604 000 TEUs were recorded, accounting for 3% of Hong Kong's overall cargo containers. We therefore believe the impact of the "Three Direct Links" across the Strait on the role played by Hong Kong in re-exporting relevant cargoes in the ports of PRD will not be substantial, as Hong Kong's cost consideration in this respect and dominant geographical position have not changed.

As for tourism, Taiwan is undeniably Hong Kong's second largest market. In 2007, a total of over 2.2 million travellers from Taiwan visited Hong Kong, representing 8% of our total visitor arrivals. Among them, approximately 70% were same-day transit passengers. The substantial impact of the "Three Direct Links" across the Strait will have to depend on the number of passengers no longer passing through Hong Kong upon the implementation of the "Three Direct Links". However, generally speaking, the number is, after all, inconsiderable compared to the 28 million visitor arrivals received by Hong Kong per annum. Furthermore, besides retaining the original client source, we hope to make efforts in several areas upon the establishment of the "Three Direct Links" across the Strait. First, we can collaborate with our tourism counterparts in the Mainland and Taiwan to promote "multistation travel routes". Second, convention and exhibition tourism can be promoted. Third, as the construction of a cruise terminal is underway in Hong Kong, cruise ships can travel from Hong Kong to Taiwan, Shanghai and major cities in the region upon the completion of the terminal. Therefore, it can be said that opportunities are abundant.

In the area of technology, the SAR Government has been collaborating with our neighbours in striving to upgrade Hong Kong's status as a hub for providing innovation and technology services in the region. Under the framework of APEC, the SAR Government has signed standard certification agreements for telecommunications equipment with five regions, including Taiwan, and maintained constant ties and exchanges with Taiwan through the APEC Industrial Science and Technology Working Group. Taiwan is indeed a superpower in terms of technological research in electronic products, information and telecommunications skills. The relevant industries also enjoy prosperous development in Hong Kong and the PRD region. As cross-strait relations get closer and closer, it is believed exchanges and co-operation between the four places on both sides of the Strait will also get more and more frequent. The Trade Development Council has also planned to step up efforts to attract Taiwanese technology firms to participate in technological exhibitions held in Hong Kong.

Both Mr TAM Yiu-chung's original motion and Mr Howard YOUNG's amendment express the hope that the SAR Government can facilitate the travel of Taiwan residents who come to Hong Kong for business trips or sightseeing. Over the past several years, an average of 2 million visitor arrivals from Taiwan to Hong Kong for business trips or sightseeing were recorded per annum, an increase of more than 20% over the early period after the reunification. Last year, more than 2.2 million visitor arrivals from Taiwan were even recorded.

To facilitate the travel of Taiwanese to Hong Kong, the iPermit Scheme was introduced by the SAR Government in 2002. It is indeed extremely convenient, for it takes only a few minutes for the relevant formalities to be completed.

Furthermore, starting from June 2006, holders of the Mainland Travel Permit for Taiwan Residents may stay in Hong Kong for not more than seven days. This arrangement, providing a lot of convenience for many Taiwan residents to stay in Hong Kong, is conducive to promoting exchanges between the three places on both sides of the Strait.

Mr Howard YOUNG has expressed hope for the SAR Government to introduce visa-on-arrival arrangements, in addition to the iPermit Scheme. According to the previous response given by the Immigration Department (ImmD), the visa-on-arrival arrangements, if implemented, may actually prolong the waiting period. The ImmD is of the opinion that the iPermit Scheme is more convenient than the granting of visa-on-arrival. Nevertheless, I would still convey the views expressed by Honourable Members today to the Security Bureau and the ImmD.

Next, I would like to respond further to the proposals raised in certain amendments.

Regarding Mr Albert HO's special reference to the need to extend Hong Kong-Taiwan relations to the political level, we consider it inappropriate to do so because universal suffrage must be implemented and democratic development be promoted in Hong Kong according to the situation in Hong Kong and the Basic Law. Electoral systems established in every place require soil suitable for the place and must be consistent with the public sentiments and its historical background. Furthermore, as it is evident to all, the cross-strait relations are a relatively heavy issue left over from history. It is by itself a very political issue.

At the present stage, we do not consider it appropriate to inject more political elements into cross-strait relations. Nor is it helpful to do so in order to improve the relations.

Mr Albert HO has also mentioned cultural exchanges. The SAR Government has all along acted very proactively on this front. Through a special fund provided by the Home Affairs Bureau, the SAR Government encourages local artists and artistic groups to travel to the Mainland and other regions for exchanges and performances. Since 2003-2004, 17 applications for performing in Taiwan have been approved under the relevant fund, and approximately \$1 million has been granted. We will continue to make promotional efforts on this front.

We consider the proposal raised by Mr Alan LEONG to set up a cross-strait economic and trade exchanges department in the Commerce and Economic Development Bureau inappropriate because it is quite redundant to do so. At present, the Constitutional and Mainland Affairs Bureau is responsible for co-ordinating Taiwan affairs for the SAR Government, while all other Policy Bureaux have also had their own duties to perform. While those responsible for economic and trade affairs will continue to make vigorous promotional efforts in accordance with economic and trade policies and the WTO commitments, those responsible for tourism and immigration affairs will also make promotional efforts on their own. According to the prevailing circumstances, we will continue to provide various Policy Bureaux with more resources for the purpose of formulating new policies.

Both Mr Jeffrey LAM and Ms Miriam LAU have separately proposed an amendment for avoiding double taxation. Hong Kong is actively seeking to establish a network for agreements and arrangements with its major trading and investment partners for avoidance of double taxation. The SAR Government will, from time to time, examine its economic and trading relations with different regions and explore the need to sign avoidance of double taxation agreements and make relevant arrangements with various regions as well as the feasibility of doing so.

In their speeches on the SAR Government's handling of Taiwan affairs and Hong Kong-Taiwan relations, Mr Albert HO and other Members expressed their views that the Government had not done enough over the past several years. However, I would like to present some facts in this Council for Members' reference.

A wide range of proactive measures have been taken by the SAR Government since 2002 to promote exchanges and relations between Hong Kong and Taiwan. For instance, in 2003, after the SARS outbreak, we acted proactively in receiving a delegation led by Taipei vice mayor for exchanges on ways to tackle the social situation and health care measures taken during the SARS period. Then, following the visit by Chairman LIEN Chan to the Mainland in 2005, politicians and people from other sectors from both the Blue and Green camps were generally received. During the period between 2006 and 2007, LIN Cho-shui, a former Democratic Progressive Party legislator, made several visits to Hong Kong, and he was a separatist. A few days ago, Mr HUNG Chi-chang, former Chairman of the Taiwan's Straits Exchange Foundation, arrived at Hong Kong to attend a symposium (香江論壇). Frankly speaking, these could not have occurred during the several years before and after 1997. We welcome both the Blue and Green camps because we would like people of the political circle, the business sector and other sectors from Taiwan to understand that Hong Kong, where "one country, two systems" has been implemented, is indeed very free, liberal, and greatly successful.

As regards the question raised by Mr SIN Chung-kai concerning why no Taiwanese visitors have ever visited the Legislative Council, Mr SIN might not be aware that it happened last year on the very day when Hong Kong was hit by a typhoon. Despite the typhoon, a delegation comprising of Legislative Yuan Member assistants were able to visit the Legislative Council with the assistance of its staff. In view of Members' proactiveness, when we invite people of the political circle, the business sector and other sectors from Taiwan to visit Hong Kong, we hope to make arrangements for them to visit different organizations, including the Legislative Council, starting from this year, and they will be given the opportunities to meet with Members of the Legislative Council.

The SAR Government is aware of the possible change in Taiwan's overall situation in 2008 and has therefore taken the initiative to implement measures on three fronts.

First of all, we have earmarked financial resources in the 2008-2009 Budget for promoting exchanges and relations between Hong Kong and Taiwan. Though it is considered by some Members that the sum of \$1.5 million is not too large, I consider it just a beginning. In my view, it is important for a relatively small Policy Bureau like the Constitutional and Mainland Affairs Bureau to have a proper start in the right direction.

Second, we have been inviting people from the political circle, business sector and other sectors from all parts of the world, including the Mainland, to visit Hong Kong. Starting from this year, such invitations will be extended to Taiwan as well.

Third, as already mentioned by us and Members are also aware, to facilitate economic and trade relations between Hong Kong and Taiwan, the Hong Kong Trade Development Council submitted an application to Taipei a few months ago in a bid to set up an office there.

Last week, the visit made by Chairman WU Poh-hsiung on behalf of his ruling party to the Mainland turned another new page in history. It is our belief that, under the new circumstances, the four places on both sides of the Taiwan Strait would have the opportunities, conditions, and capacity to enhance cross-strait relations. I think that we have to, first, promote the implementation of the "Three Direct Links"; second, explore the feasibility of the establishment of a free-trade zone; and third, make joint efforts one day to resolve this problem left over from history.

Madam President, I hope Members can support Mr TAM Yiu-chung's original motion but refrain from supporting the amendments proposed by Mr Albert HO and Mr Alan LEONG. Thank you, Madam President.

PRESIDENT (in Cantonese): I now call upon Mr Albert HO to move his amendment to the motion.

MR ALBERT HO (in Cantonese): President, I move that Mr TAM Yiu-chung's motion be amended.

Mr Albert HO moved the following amendment: (Translation)

"To add "recently the peaceful handover of government administration and the change in the ruling party for the second time in Taiwan have given impetus to its democratic development, and" after "That,"; to delete "in Taiwan" after "political situation"; to delete "as well as study and implement various proactive measures in respect of" after "between

Hong Kong and Taiwan," and substitute with "enhance exchanges at various levels between the two places in respect of politics, culture,"; to add "and their sharing of experience on civil society and democratic development, as well as study and implement various proactive measures, including arranging more mutual visits for politicians and the cultural sectors in Hong Kong and Taiwan," after "immigration arrangements, etc,"; to delete "facilitating" after "Hong Kong's competitiveness and" and substitute with "enabling"; and to add "strive for building a democratic China and" after "both sides of the Strait to".

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Mr Albert HO to Mr TAM Yiu-chung's motion, be passed.

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

(Members raised their hands)

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

(Members raised their hands)

Mr SIN Chung-kai rose to claim a division.

PRESIDENT (in Cantonese): Mr SIN Chung-kai has claimed a division. The division bell will ring for three minutes, after which the division will begin.

PRESIDENT (in Cantonese): Will Members please proceed to vote.

PRESIDENT (in Cantonese): Will Members please check their votes. If there are no queries, voting shall now stop and the result will be displayed.

Functional Constituencies:

Ms Margaret NG, Mr CHEUNG Man-kwong, Mr SIN Chung-kai, Ms LI Fung-ying, Dr Joseph LEE and Dr Fernando CHEUNG voted for the amendment.

Dr LUI Ming-wah, Mr Bernard CHAN, Mrs Sophie LEUNG, Dr Philip WONG, Mr WONG Yung-kan, Mr Howard YOUNG, Mr LAU Wong-fat, Ms Miriam LAU, Mr Abraham SHEK, Mr Tommy CHEUNG, Mr Vincent FANG, Mr WONG Kwok-hing, Mr Daniel LAM, Mr Jeffrey LAM, Mr Andrew LEUNG, Mr WONG Ting-kwong, Mr CHIM Pui-chung and Mr KWONG Chi-kin voted against the amendment.

Geographical Constituencies:

Mr Albert HO, Mr Martin LEE, Mr Fred LI, Mr James TO, Dr YEUNG Sum, Ms Emily LAU, Mr Albert CHAN, Ms Audrey EU, Mr LEE Wing-tat, Mr Alan LEONG, Mr LEUNG Kwok-hung, Mr Ronny TONG and Mrs Anson CHAN voted for the amendment.

Mr James TIEN, Mrs Selina CHOW, Miss CHAN Yuen-han, Mr CHAN Kam-lam, Mr Jasper TSANG, Mr LAU Kong-wah, Miss CHOY So-yuk, Mr TAM Yiu-chung, Mr LI Kwok-ying and Mr CHEUNG Hok-ming voted against the amendment.

THE PRESIDENT, Mrs Rita FAN, did not cast any vote.

THE PRESIDENT announced that among the Members returned by functional constituencies, 24 were present, six were in favour of the amendment and 18 against it; while among the Members returned by geographical constituencies through direct elections, 24 were present, 13 were in favour of the amendment and 10 against it. Since the question was not agreed by a majority of each of the two groups of Members present, she therefore declared that the amendment was negatived.

MS MIRIAM LAU (in Cantonese): President, I move that in the event of further divisions being claimed in respect of the motion on "Opportunities to Hong Kong brought about by the thawing cross-strait relations" or any amendments thereto, this Council do proceed to each of such divisions immediately after the division bell has been rung for one minute.

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

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

(No Member indicated a wish to speak)

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

(Members raised their hands)

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

(No hands raised)

PRESIDENT (in Cantonese): I think the question is agreed by a majority respectively of each of the two groups of Members who are present. I declare the motion passed.

I order that in the event of further divisions being claimed in respect of the motion on "Opportunities to Hong Kong brought about by the thawing cross-strait relations" or any amendments thereto, this Council do proceed to each of such divisions immediately after the division bell has been rung for one minute.

PRESIDENT (in Cantonese): Mr Alan LEONG, you may move your amendment.

MR ALAN LEONG (in Cantonese): President, I move that Mr TAM Yiu-chung's motion be amended.

Mr Alan LEONG moved the following amendment: (Translation)

"To add "and the role played by Hong Kong in the past as an intermediary among the three places on both sides of the Strait will also change as a result," after "established earlier,"; and to add "including setting up a cross-strait economic and trade exchanges department in the Commerce and Economic Development Bureau to handle economic issues arising from the 'Three Direct Links' across the Taiwan Strait in future," after "between Hong Kong and Taiwan,"."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Mr Alan LEONG to Mr TAM Yiu-chung's motion, be passed.

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

(Members raised their hands)

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

(Members raised their hands)

Mr TAM Yiu-chung rose to claim a division.

PRESIDENT (in Cantonese): Mr TAM Yiu-chung has claimed a division. The division bell will ring for one minute, after which the division will begin.

PRESIDENT (in Cantonese): Will Members please proceed to vote.

PRESIDENT (in Cantonese): Will Members please check their votes. If there are no queries, voting shall now stop and the result will be displayed.

Functional Constituencies:

Ms Margaret NG, Mr CHEUNG Man-kwong, Mr SIN Chung-kai, Ms LI Fung-ying, Dr Joseph LEE and Dr Fernando CHEUNG voted for the amendment.

Dr Philip WONG, Mr WONG Yung-kan, Mr Abraham SHEK and Mr CHIM Pui-chung voted against the amendment.

Dr Raymond HO, Dr LUI Ming-wah, Mr Bernard CHAN, Mrs Sophie LEUNG, Mr Howard YOUNG, Mr LAU Wong-fat, Ms Miriam LAU, Mr Tommy CHEUNG, Mr Vincent FANG, Mr WONG Kwok-hing, Mr Daniel LAM, Mr Jeffrey LAM, Mr Andrew LEUNG, Mr WONG Ting-kwong and Mr KWONG Chi-kin abstained.

Geographical Constituencies:

Mr Albert HO, Mr Martin LEE, Mr Fred LI, Mr James TO, Dr YEUNG Sum, Ms Emily LAU, Mr Andrew CHENG, Mr Albert CHAN, Ms Audrey EU, Mr LEE Wing-tat, Mr Alan LEONG, Mr LEUNG Kwok-hung, Mr Ronny TONG and Mrs Anson CHAN voted for the amendment.

Mr James TIEN, Mrs Selina CHOW, Miss CHAN Yuen-han, Mr CHAN Kam-lam, Mr Jasper TSANG, Mr LAU Kong-wah, Miss CHOY So-yuk, Mr TAM Yiu-chung, Mr LI Kwok-ying and Mr CHEUNG Hok-ming abstained.

THE PRESIDENT, Mrs Rita FAN, did not cast any vote.

THE PRESIDENT announced that among the Members returned by functional constituencies, 25 were present, six were in favour of the amendment, four against it and 15 abstained; while among the Members returned by geographical constituencies through direct elections, 25 were present, 14 were in favour of the amendment and 10 abstained. Since the question was not agreed by a majority of each of the two groups of Members present, she therefore declared that the amendment was negated.

PRESIDENT (in Cantonese): Mr Jeffrey LAM, you may move your amendment.

MR JEFFREY LAM (in Cantonese): Madam President, I move that Mr TAM Yiu-chung's motion be amended.

Mr Jeffrey LAM moved the following amendment: (Translation)

"To add "under the framework of the Basic Law, promote exchanges between the two places" after "between Hong Kong and Taiwan"; to add "including signing an Avoidance of Double Taxation Agreement with Taiwan, etc," after "immigration arrangements, etc,"; and to add "to enable it to become a business platform in the Greater China region," after "Hong Kong's competitiveness"."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Mr Jeffrey LAM to Mr TAM Yiu-chung's motion, be passed.

PRESIDENT (in Cantonese): I now call upon Ms Miriam LAU to move her amendment to Mr Jeffrey LAM's amendment.

MS MIRIAM LAU (in Cantonese): President, I move that Mr Jeffrey LAM's amendment be amended.

Ms Miriam LAU moved the following amendment to Mr Jeffrey LAM's amendment: (Translation)

"To delete "signing an Avoidance of Double Taxation Agreement with Taiwan" after "including" and substitute with "promoting with Taiwan arrangements for the avoidance of double taxation"."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Ms Miriam LAU to Mr Jeffrey LAM's amendment, be passed.

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

(Members raised their hands)

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

(No hands raised)

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

PRESIDENT (in Cantonese): I now put the question to you and that is: That Mr Jeffrey LAM's amendment, as amended by Ms Miriam LAU, to Mr TAM Yiu-chung's motion be passed. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

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

PRESIDENT (in Cantonese): Mr Howard YOUNG, as the amendments by Mr Jeffrey LAM and Ms Miriam LAU have been passed, I have given leave for you to revise the terms of your amendment, as set out in the paper which has been circularized to Members. You may now move your revised amendment.

MR HOWARD YOUNG (in Cantonese): President, I move that Mr TAM Yiu-chung's motion, as amended by Mr Jeffrey LAM and Ms Miriam LAU, be further amended by my revised amendment. This amendment, which merely contains the content of the amendments proposed by the two Honourable Members just now, is technical in nature.

Mr Howard YOUNG moved the following further amendment to the motion as amended by Mr Jeffrey LAM and Ms Miriam LAU: (Translation)

"To add "including implementing measures such as granting visa-on-arrival to Taiwan travellers visiting Hong Kong," after "immigration arrangements, etc,"."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That Mr Howard YOUNG's amendment to Mr TAM Yiu-chung's motion, as amended by Mr Jeffrey LAM and Ms Miriam LAU, be passed.

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

(Members raised their hands)

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

(No hands raised)

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

PRESIDENT (in Cantonese): Mr TAM Yiu-chung, you may now reply and you have one minute 44 seconds.

MR TAM YIU-CHUNG (in Cantonese): President, just now I was listening very attentively to the speeches delivered by Mr Albert HO and Mr Ronny TONG. Mr Albert HO raised this question in his speech: Would it be the case that "the duck is the first to know when the water of the Spring River gets warm" and thus the Democratic Alliance for the Betterment and Progress of Hong Kong (DAB) has proposed such a motion? Mr Ronny TONG then looked further for the hidden meaning of his words and expanded them by asking what sort of rivers and what sort of ducks were being referred to and asked whether this was an act to "fathom the leadership's thoughts" or "proximity to the water provides a favourable position for admiring the moon". I would like to tell him that the new development of Taiwan's political situation is actually evident to all, and there is no secret about it. People keeping an eye on the news would have known about this.

Hong Kong's economic development has all along been of great concern to the DAB. When we find that something warrants prompt attention, we will bring it to the Government's attention and propose motions in the Legislative Council in the hope of raising concern among various parties, including the Legislative Council, so that joint efforts can be made. As pointed out by me in my motion, we hope that the four places on both sides of the Strait can achieve a win-win situation. This will also be beneficial to the well-being of the people of the four places. Thank you, President.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the motion moved by Mr TAM Yiu-chung, as amended by Mr Jeffrey LAM, Ms Miriam LAU and Mr Howard YOUNG, be passed. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

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

NEXT MEETING

PRESIDENT (in Cantonese): I now adjourn the Council until 11.00 am on Wednesday, 11 June 2008.

Adjourned accordingly at thirteen minutes to Six o'clock.

Appendix 1**REQUEST FOR POST-MEETING AMENDMENTS**

The Secretary for Education requested the following post-meeting amendment to Question 6

Line 2, third paragraph, page 44 of the Confirmed version

To amend "..... in relation to its previous recurrent annual expenditure" as "..... in relation to its previous recurrent annual grant" (Translation)

(Please refer to lines 2 to 3, third paragraph, page 8119 of this Translated version)

Appendix 2**REQUEST FOR POST-MEETING AMENDMENTS**

The Secretary for Constitutional and Mainland Affairs requested the following post-meeting amendment in respect of the speech of the motion on "Opportunities to Hong Kong brought about by the thawing cross-strait relations"

Line 3, third paragraph, page 163 of the Confirmed version

To amend "..... the bilateral trade between the two places reached US\$258 billion," as "..... the bilateral trade between the two places reached HK\$258 billion," (Translation)

(Please refer to second last line, second last paragraph, page 8268 of this Translated version)

Appendix I**WRITTEN ANSWER****Written answer by the Secretary for Education to Mr Albert CHAN's supplementary question to Question 6**

As regards the naming arrangements of the institutions under the Matching Grant Scheme, since 2003, the Administration has implemented four rounds of Matching Grant Scheme to diversify the funding sources for higher education. Private donations received by University Grants Committee (UGC)-funded institutions for activities within the ambit of UGC recurrent grants, scholarships and capital works projects can be matched by government grants. However, the government matching grants may only be used on the former two categories and cannot be used on capital works projects. There will not be a situation where government matching grants and private donations will be used on the same capital works project.

Regarding naming arrangements, all UGC-funded institutions have established their own internal rules and procedures. Institutions will generally consider a number of factors, including the donor's contributions to the institution, the education sector as a whole or the community at large in considering whether to name facilities or faculties after the benefactor. These naming arrangements are not related to the Matching Grant Scheme implemented by the Administration.

All institutions funded by the UGC are autonomous statutory bodies governed by their respective ordinances. They enjoy autonomy in the management of their internal affairs and finance, including soliciting and accepting donations as well as naming arrangements for donations received. As the institutions have drawn up its own rules and procedures for handling donations, and in line with the spirit of upholding institutional autonomy, the Administration and the UGC fully respect the autonomy of tertiary institutions in managing their internal affairs, and will not seek to interfere with the naming arrangements of individual institutions.