

OFFICIAL RECORD OF PROCEEDINGS

Wednesday, 11 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

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

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

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

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

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

THE HONOURABLE ALBERT CHAN WAI-YIP

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

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

THE HONOURABLE 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 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

MEMBERS ABSENT:

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

THE HONOURABLE MRS SOPHIE LEUNG LAU YAU-FUN, G.B.S., J.P.

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

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

PUBLIC OFFICERS ATTENDING:

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

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

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

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

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

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

PROF THE HONOURABLE K C CHAN, S.B.S., J.P.
SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY

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

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

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

CLERKS IN ATTENDANCE:

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

MRS CONSTANCE LI TSOI YEUK-LIN, ASSISTANT SECRETARY
GENERAL

MRS JUSTINA LAM CHENG BO-LING, ASSISTANT SECRETARY
GENERAL

PRESIDENT (in Cantonese): There are only 25 Members in the Chamber. A quorum is not present. Clerk, please ring the bell.

(After the bell had been rung, a number of Members entered the Chamber)

PRESIDENT (in Cantonese): A quorum is now present. The meeting shall now start.

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>
Rules of the High Court (Amendment) Rules 2008.....	152/2008
Rules of the District Court (Amendment) Rules 2008.....	153/2008
High Court Fees (Amendment) Rules 2008.....	154/2008
High Court Suitors' Funds (Amendment) Rules 2008....	155/2008
District Court Civil Procedure (Fees) (Amendment) Rules 2008.....	156/2008
District Court Suitors' Funds (Amendment) Rules 2008.....	157/2008
Lands Tribunal (Amendment) Rules 2008.....	158/2008
Prevention and Control of Disease Regulation	159/2008
Declaration of Increase in Pensions Notice 2008.....	160/2008
Widows and Orphans Pension (Increase) Notice 2008....	161/2008

Other Paper

No. 98 — Securities and Futures Commission
Annual Report 2007-2008

ORAL ANSWERS TO QUESTIONS

PRESIDENT (in Cantonese): Questions. First question.

Management of Common Areas in Public Housing Estates

1. **MR LEUNG KWOK-HUNG** (in Cantonese): *I have recently received complaints from community organizations concerning the common areas (such as podiums, sitting-out areas and parks) in public housing estates (PHEs), which are currently managed by The Link Management Limited (The Link Management). The complaints alleged that The Link Management requires community organizations or offices of District Council members or Legislative Council Members, which apply for conducting community activities or residents' meetings in such common areas, to submit proposals, take out insurance, and pay rental fees to The Link for using such venues. Regarding the management of common areas in PHEs, will the Government inform this Council:*

- (a) *of the above common areas which are currently managed by The Link in each of the PHEs in Hong Kong, broken down by the type of estate (that is, public rental housing (PRH) estates or Tenant Purchase Scheme (TPS) estates), and which of these areas are included in the sale and purchase agreement signed in 2005 when the Hong Kong Housing Authority (HA) sold its retail and car-parking facilities to The Link;*
- (b) *whether the arrangement that The Link or other out-sourced management companies charging organizations using the above common areas a fee has the approval of the Housing Department (HD); if so, of the grounds for granting approval for charging fees and the number of approved cases; and whether the HD has issued any guidelines to the management companies concerned regarding*

the lending of such common areas; if it has, whether the guidelines have included requirements such as submitting proposals, taking out insurance, paying rental fees, and so on; and

- (c) *whether the authorities will conduct a review of the above requirements (including the fee-charging arrangement) regarding the lending of common areas in PHEs, so as to reduce the restrictions imposed on members of the public for using such areas for meeting, social gathering or receiving information purposes?*

(Having asked the main question, Mr LEUNG Kwok-hung still remained standing)

PRESIDENT (in Cantonese): You must sit down before I can call upon the Secretary to reply.

(Mr LEE Cheuk-yan raised his hand)

MR LEE CHEUK-YAN (in Cantonese): *The main reply has not yet been tabled, right?*

PRESIDENT (in Cantonese): It is a bit late this time, and even I myself have just received the reply. I think Secretariat staff should be photocopying the document right now. Once they have finished, they will distribute the reply to Members.

We have a gentlemen's agreement with the Government that all main replies should reach us before 9.30 am by all means. I hope that to facilitate the asking of supplementary questions by Members, the Government can make arrangements to ensure that each Member will have a copy of the main reply when the main question is asked.

Secretary for Transport and Housing, please give your reply.

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): Madam President, I must first of all say sorry to the Council. There has been some

delay in releasing the main reply this morning, compounded by the fact that Monday was a general holiday. All this has resulted in some problems with our work procedure.

Madam President, my reply to the three-part question is as follows:

- (a) Most area in PRH and TPS estates which can be used for organizing activities is owned and managed by the HA. Among the 43 performance theatres, only six were included by the HA in the divestment portfolio of The Link Real Estates Investment Trust (The Link) due to practical considerations. Information of the estates with divested performance theatres is at Annex 1.

Besides, amongst the divested podiums and rooftops located at detached shopping centres or car parking buildings within housing estates, 63 are suitable for organizing activities. Information of the estates with these facilities is at Annex 2.

The aforementioned facilities are owned and managed by The Link after the divestment exercise and are included in the concerned Agreement for Sale and Purchase of Properties.

- (b) Upon its public listing on 25 November 2005, The Link has become a private entity and its business strategies and day-to-day operations are entirely independent of the Government and the HA. However, all facilities in PRH and TPS estates are governed by the terms of the vesting orders, Government leases or Deeds of Mutual Covenant (DMC). So long as The Link complies with the relevant legislation, conditions of the Government leases, requirements under the DMC and terms of the covenants and agreements made between The Link and the HA, the Government and the HA will not intervene in the day-to-day management and business strategies of The Link. Hence, it is for The Link to determine the arrangements for individual applicants to hold activities within its area. Approval from the HD is not required. As the management companies of such area are appointed by The Link, they are not subject to the supervision of the HD. The HD will not issue any guidelines on lending the use of venues to these companies.

According to the information published by The Link on its website on renting the use of promotion venues, The Link would, on individual merits, consider applications for venue rent waiver from non-profit-making or charitable organizations for holding activities such as charity fund-raising, community building or civic education, and so on.

- (c) As I have mentioned before, so long as The Link complies with the relevant legislation, conditions of Government leases, requirements under the DMC and terms of the covenant and agreements made between The Link and the HA, the Government and the HA will not intervene in the day-to-day management and business operations of The Link. In fact, most area in housing estates which can be used for organizing activities is still owned and managed by the HA. The HA welcomes local organizations to apply to use these facilities for non-profit-making and charitable purposes. The HA will not charge the organizers any fees if the activities are charitable or fund-raising in nature. In 2007-2008, the HA provided 28 000 days of free venues for use by local organizations. The abovementioned arrangements for using the area for organizing activities are aimed at protecting the safety of residents and to ensuring the estates are orderly managed, so as to facilitate residents to make proper use of the concerned facilities and provide an appropriate regulatory framework for organizations holding activities.

Annex 1

List of estates with performance theatre owned and managed by The Link

	<i>Name of Estates</i>
1.	Lok Fu Estate
2.	Ma Hang Estate
3.	Tin Shui (II) Estate
4.	Tsz Lok Estate
5.	Wah Kwai Estate*
6.	Yat Tung Estate

* TPS Estates

Annex 2

List of estates with podium and roof-top of
commercial centres or carpark buildings which can be used
for organizing activities owned and managed by The Link

	<i>Name of Estates</i>		<i>Name of Estates</i>
1.	Ap Lei Chau Estate	33.	Oi Man Estate
2.	Butterfly Estate	34.	On Ting Estate
3.	Cheung Hang Estate	35.	On Yam Estate
4.	Cheung Hong Estate	36.	Sam Shing Estate
5.	Cheung On Estate*	37.	Sau Mau Ping Estate
6.	Cheung Wah Estate*	38.	Shek Lei Estate
7.	Cheung Wang Estate	39.	Sheung Tak Estate
8.	Choi Ha Estate*	40.	Shun Lee Estate
9.	Choi Wan (I) Estate	41.	Shun Tin Estate
10.	Chuk Yuen (South) Estate	42.	Sun Chui Estate
11.	Chun Shek Estate	43.	Tai Hing Estate
12.	Chung On Estate	44.	Tai Yuen Estate
13.	Fortune Estate	45.	Tin Chak Estate
14.	Fu Tung Estate	46.	Tin Shui (II) Estate
15.	Fung Tak Estate*	47.	Tin Tsz Estate
16.	Heng On Estate*	48.	Tin Yat Estate
17.	Hing Tin Estate*	49.	Tin Yiu (I) Estate
18.	Hing Tung Estate	50.	Tin Yuet Estate
19.	Ka Fuk Estate	51.	Tsui Ping (South) Estate
20.	Kai Yip Estate	52.	Tsz Ching Estate
21.	Kai Tin Estate	53.	Tsz Lok Estate
22.	Kin Ming Estate	54.	Tsz Man Estate
23.	Kwai Fong Estate	55.	Un Chau Estate
24.	Kwai Shing (East) Estate	56.	Wah Sum Estate
25.	Lai On Estate	57.	Wah Kwai Estate*
26.	Lee On Estate	58.	Wan Tau Tong Estate*
27.	Leung King Estate*	59.	Wan Tsui Estate
28.	Lok Fu Estate	60.	Wang Tau Hom Estate
29.	Lok Wah (South) Estate	61.	Yat Tung Estate
30.	Lower Wong Tai Sin (II) Estate	62.	Yau Oi Estate
31.	Mei Lam Estate	63.	Yiu Tung Estate
32.	Ming Tak Estate		

* TPS Estates

MR LEUNG KWOK-HUNG (in Cantonese): *At the time of The Link's public listing, I was criticized by many people for hindering its public listing. At the time, Mr LEUNG Chin-man and Mr Michael SUEN said several times in this Council and the Court that after The Link's purchase of government assets, there would be no change to the facilities enjoyed by PHE residents. But from the Secretary's main reply, I see that according to the statistics of the HA, it provided 28 000 days of free venues in 2007-2008. This makes a very great contrast. Although The Link has not provided the Secretary with the relevant figures, and the Secretary has not provided us with any such information either, I still want to ask her whether the Government should apologize for selling the assets of the HA and rendering the residents concerned unable to enjoy the same common areas as they did before the assets were sold. Will the Government consider the possibility of buying back the common areas concerned from The Link in order to honour its promise?*

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): Madam President, as I have already explained, in terms of management, we cannot The reason is that at that time, I said that the divested podiums and rooftops located at detached shopping centres or car parking buildings were put under The Link's management, not the HA's management, only because of the need for consistency in repairs and management. In spite of this, residents can still enjoy such facilities. These facilities are all clearly set out in DMCs and leases, some examples being the places where residents frequently pass by or use in their daily life. And, special regulation on open spaces is set out in DMCs. However, organizations wishing to use these areas must of course follow certain application formalities. The application procedures required by the HA are clear. We can see that as many as 28 000 days of free venues were provided in various districts in 2007-2008. In other words, every year, there were some 70 activities every week. This shows that access to facilities is no problem at all.

Speaking of The Link, from its annual report, we can notice that it provided 2 500 days of free venues last year. But I think I still need to study the information in greater detail. For example, we are now talking about the number of theatres. Of all the 43 performance venues, six are managed by The Link. This may be useful reference for Members.

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

MR LEUNG KWOK-HUNG (in Cantonese): *President, the Secretary has not answered my supplementary question.*

When the Government announced the sale of assets to The Link, both the Secretary and the Permanent Secretary of the time said in the Court or this Council that the sale would not affect the public facilities enjoyed by PHE residents. But now, from the Secretary's reply, we can see clearly that while The Link provided only some 2 000 days of free venues, the HA provided as many as 28 000 days. There is a difference of 10 times. Regarding the provision of free venues, the HA's provision is 10 times that of The Link. There is a very great contrast. May I ask the Secretary whether the Government should apologize for this or simply buy back all those common areas from The Link, so as to honour its promise? The Secretary has not answered this question.

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

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): Madam President, I think I have given a very clear explanation already. DMCs and leases already provide very clearly that residents can enjoy the common areas and open spaces concerned. I suppose the problem should be about the purposes of renting the venues concerned. When an organization wants to rent a venue, The Link will process the application according to its established policy. If the use is commercial in nature, The Link will charge a fee. But if the use is non-profit-making or charitable in nature, it may waive the fee. I have already provided the information about this. But I still wish to point out that in every housing estate, there are always some areas which belong to the HA, and others that belong to The Link. We think that on the part of the HA, the mechanism is certainly very transparent, and we welcome all organizations to rent our venues.

MR CHEUNG HOK-MING (in Cantonese): *President, besides subsidizing non-profit-making organizations through rent waiver, The Link also undertook to*

discharge its social responsibilities at the time of public listing. May I ask the Secretary whether The Link has really discharged its social responsibilities? If yes, how?

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): Madam President, The Link must abide by the code of practice applicable to The Link REIT and the requirements set down by the Securities and Futures Commission, meaning that it must invest in realty business that can yield revenue on a sustainable basis instead of engaging in any speculative business. There are other requirements, one of which is about the undertaking of renting venues to welfare organizations at concessionary rents. This is also incorporated into the terms of the covenant and agreements concerned, so The Link must continue to honour the undertaking. In this regard, The Link can meet the requirement.

MR CHAN KAM-LAM (in Cantonese): *President, I wish to clarify one point. The Secretary is a Director of Bureau, but The Link is a listed company. Can she answer questions here on behalf of The Link? I do not know whether she can do so. Also, apart from providing venues to private organizations or charitable organizations for the conduct of activities, has it ever organized any activities beneficial to society? Does the Secretary know how many such activities it has organized?*

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): Madam President, I cannot answer any questions here on behalf of The Link because it is now a private company. The information I have is all accessible to the public and can be found on the website of the company. Regarding Mr CHAN Kam-lam's question, I am sorry that I cannot provide any information here.

DR FERNANDO CHEUNG (in Cantonese): *The Link will not allow any "political organizations" to use its venues. If Legislative Council Members' offices wish to use the venues under its management, including shopping centres, podiums and all places accessible to residents Legislative Council Members will not be given permission to use its venues. Since The Link is supposed to discharge its corporate social responsibility and we Legislative Council Members*

also want to serve the public, may I ask whether such a policy of The Link is aimed at discriminating against Members or political organizations? Can one thus conclude that it has failed to discharge its corporate social responsibility?

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): Madam President, according to the information released by The Link, it may, on individual merits, grant rent waiver to non-profit-making or charitable organizations wishing to hold activities such as charity fund-raising, community building and civic education functions. But The Link itself can determine the required procedures and formalities. As I have mentioned, I cannot answer any questions on behalf of The Link because it is now a private company. But the HA will strive to facilitate the holding of activities by Members and accord priority to serving PHE residents. For example, in times of election, on condition that there is no violation of election guidelines, we will certainly handle applications with flexibility. One example is that in some cases, our internal procedures will require the submission of tax waiver, but we may exercise flexibility and do not require any such submission in times of election. Therefore, it should be noted that in PHEs, not all facilities are managed by The Link. Certain places, open spaces, podiums and rooftops are still managed by the HA, and we are more than happy to provide all these venues, so as to assist residents in receiving the necessary information.

DR FERNANDO CHEUNG (in Cantonese): *President, the Secretary has not answered my supplementary question.*

I am not asking her to answer my question for The Link. My question is directed at her as the Secretary for Transport and Housing. In such capacity, what does she think about The Link's refusal to lend or rent its venues to certain organizations? I am not talking about any free venues. Rather, I am talking about its refusal to rent any venues to Members for setting up offices, and its refusal to lend or rent any venues to any organizations which it regards as political in nature. First, is this a contravention of the requirement that it must discharge its corporate social responsibility, that is, the responsibility of serving the community by providing venues to organizations? Second, is this a form of discrimination?

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): Madam President, as a private organization, The Link has its own policy on the management and provision of venues. Naturally, on our part (I have clarified that I cannot give any answers on The Link's behalf), on the part of the HA, we are happy to give every encouragement and as much assistance as possible. Let me stress once again that we are more than happy to render assistance in all cases where the venues concerned are under our management and available.

MR ALBERT CHAN (in Cantonese): *President, as mentioned by Mr LEUNG Kwok-hung just now, years back, the Government gave the undertaking that services would remain basically unchanged. In case the Secretary is not aware of the present situation, I shall tell her the case of Yat Tung Estate. There is this open theatre outside the shopping centre at Yat Tung Estate. In the past, residents could frequently use the theatre for the holding of many activities. However, since The Link took over, commercial organizations have been accorded priority over Members' offices or other organizations in the renting of the theatre. This has adversely affected community activities.*

If the Government really wants to honour the abovementioned undertaking, should it not provide residents with alternative facilities? The reason is that there has been a change in ownership. The Secretary will of course argue that for reasons of the DMC, the commercial organization which has ownership should be responsible for management. But in that case, residents' use of the venue is bound to be unnecessarily affected. Will the Secretary look at this problem seriously? I am not asking the Government to buy back all public facilities. However, in some cases, the facilities concerned are actually related more closely to residential blocks, but due to design reasons, they are grouped as shopping centre facilities. Will the Secretary consider the idea of buying back some of such facilities, so as to do justice to the residents? Will it do so in order to remove the impression that it wants to kick down the ladder, and that it misled and deceived the Legislative Council years ago?

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): Madam President, we do not intend to buy back any facilities. Why were certain facilities transferred to The Link in the very first place? The aim was to achieve consistency in repairs and management. As an organization, The Link has its own application procedures and considerations. We can appreciate this. The

Link has put in place a set of procedures, whereby non-profit-making and charitable organizations may be granted rent waiver for holding activities. Having said that, I must add that we will relay Members' views to The Link. I wish to reiterate that in every housing estate, there are still some venues not under the management of The Link, and activities can be held in these venues. The HA is always prepared to assist Members and other organizations in holding activities in the venues under our management.

MR ALBERT CHAN (in Cantonese): *President, the Secretary has entirely shifted the focus. Years ago, the Government undertook that services would remain basically unchanged. But it has turned out that this is not the case in reality. Residents' use of such venues has been adversely affected. If the Government really wishes to honour its undertaking, if it does not want people to think that it misled or deceived the Legislative Council years ago, it must make improvement. My supplementary question is: In order to avoid accusations, or since the Government did mislead and deceive the Legislative Council, will the Secretary do something to rectify the mistake? President, she has not responded to this at all.*

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): Madam President, I have reiterated that according to DMCs, The Link is already required to allow PHE residents and visitors to use these facilities during reasonable hours and under reasonable circumstances. We are now talking about the renting of venues by organizations. Concerning the use of venues, there are relevant provisions in DMCs.

PRESIDENT (in Cantonese): This Council has spent more than 19 minutes on this question. We will now proceed to the second question.

Development of Park Island and Ma Wan Park in Ma Wan

2. **MR ALBERT HO** (in Cantonese): *Madam President, regarding matters relating to the development of Park Island (PI), a private residential property project, as well as the Ma Wan Park (MWP) in Ma Wan by a developer, will the Government inform this Council:*

- (a) *given that the developer surrendered in 1997 a piece of land which composed 98.7% of farmland in exchange for the land lot of PI, of the premium that should have been paid at that time by the developer for land exchange and modification of the land use, and the actual amount of premium undercharged by the Government then, together with the reasons therefor (please specify the description of each deduction item and the amount involved);*
- (b) *given that the developer was allowed to deduct the costs of developing MWP from the premium payable for the land lot of PI, and that the developer had revised the design of MWP during the period from 2003 to 2006 and changed the theme for MWP from active recreational facilities to a park with a theme based on "Naturally Hong Kong", whether the authorities have assessed the costs of developing MWP with the new design; if the costs have been reduced, whether the authorities have recovered the difference from the developer; if they have not recovered the difference, of the reasons for that; and*
- (c) *of the main terms set out in the MWP development agreement signed between the Government and the developer in 1997; and among the development requirements set out in the agreement, of those involving items that are still pending or have not yet been completed, together with the reasons therefor; and the differences between the current situation and the requirements as specified in the agreement, as well as the authorities' mechanism and ways to monitor the developer's compliance with the agreement?*

SECRETARY FOR DEVELOPMENT (in Cantonese): Madam President, PI is located at the "Comprehensive Development Area" (CDA) on the Ma Wan Outline Zoning Plan (OZP), and is a comprehensive development scheme. In accordance with the OZP, for developments on land within the CDA, the applicant is required to prepare and submit a Master Layout Plan (MLP) to the Town Planning Board (TPB) for approval.

My reply to Mr HO's three-part question is as follows:

- (a) The Government granted the lots of PI to the developer by way of land exchange in 1997 in accordance with the MLP approved by the TPB. The market value premium of the site at that time was estimated to be \$6,155.59 million. This had already reflected the value of the land involved in the exchange exercise, which included 95 062 sq m of the agricultural and building lots owned and surrendered by the developer, and 126 500 sq m of the lots of PI regranted by the Government. The costs of items deducted from the above market value premium payable were as follows:

Items	
(i) MWP	\$803,630,000
(ii) Infrastructure and new village type development area	\$1,639,240,000

- (b) The Government has deducted \$803.63 million as the costs for the development of the MWP from the market value premium payable for the lots of PI. The developer shall build the MWP in accordance with the approved MLP. In the event of any changes to the MLP or for other reason, resulting in a decrease in costs and expenses for the development of the MWP, the developer shall pay to the Government the unexpended balance of the sum which has been previously deducted from the premium in question and interest.
- (c) The key terms and conditions of the Heads of Agreement (HoA) for the development of MWP signed between the Government and the developer in 1997 are as follows:
- (i) The construction and development of the MWP may be implemented by the developer in two phases. The developer will bring Phase I of the MWP into operation within five years from the date vacant possession of the land has been delivered to the developer. Given that the Phase II development can only commence after the villagers of the lots in question and the residents of the stilted structures have been vacated, no completion date has been set under the HoA;

- (ii) The MWP will be used and operated as a public recreational development which shall include features for entertainment, recreation, amusement, shopping, restaurants, kiosks, catering, advertising and other commercial facilities as may be approved by the Director of Lands (the Director);
- (iii) The developer shall build the MWP in accordance with the approved MLP. Should amendments be made to the approved plan, approval should be sought from the Director;
- (iv) The costs and expenses of the development of the MWP may be deducted in the calculation of the premium payable on the regrant of the Northeastern CDA (that is, the PI lot) or the grant of the MWP land;
- (v) In the event of any changes to the MLP or for other reason, resulting in a decrease in costs and expenses for the development of the MWP, the developer shall pay to the Government the unexpended balance of the sum which has been previously deducted from the premium in question and interest. Nevertheless, any increase in the costs and expenses for the development of the MWP shall be borne by the developer;
- (vi) The company managing the MWP shall have full rights and discretion to enter into agreement(s) for the management and/or day-to-day operation of the MWP and grant licences or tenancies of the MWP, provided that no estate or interest in land in the MWP shall be created or conveyed under the said agreement(s); and
- (vii) The Government agrees that the MWP will be operated on a commercial basis and the company managing the MWP will set up a sinking fund. Net profit after deduction of reasonable operating costs shall be paid to such sinking fund for the purpose of maintenance, repair and improvement of the MWP.

The developer has adopted the MLPs approved by the TPB in 2003 and 2006 as the blueprint for the development of the MWP. The MWP consists of two phases. There are three key facilities in Phase I, namely "Nature Garden", "Noah's Ark" and "Solar Tower". The "Nature Garden" has been opened to the public free of charge since 1 July 2007. The "Noah's Ark" is expected to be completed before the end of 2008 and the completion of "Solar Tower" will depend on the progress of the gazettal of the revised road scheme under the Road (Works, Use and Compensation) Ordinance. Phase II of the MWP aims to preserve the setting of Ma Wan Old Village and revitalize the area. Given that the relevant works can only commence after the local villagers and the residents of the stilted structures have been vacated, no fixed date has been set for their completion under the HoA.

The Government has been monitoring the progress of the works through liaison and meetings with the developer. Also, the developer submits quarterly accounts of costs of work items audited by auditors to the Government for examination.

MR ALBERT HO (in Cantonese): *Madam President, the developer of the Ma Wan development project can be said as being given a special favour, for it could exchange a site of some 95 000 sq m (which composed 98.7% of farmland) for a building lot of 126 000 sq m. I think that such a land exchange is the envy of property developers not just in Hong Kong but also worldwide.*

The residential part of the Ma Wan development has been completed for many years. The flats have all been sold and the developer has reaped huge profits. But many facilities which should have been completed under the agreement signed with the Government, such as Noah's Ark, Solar Tower, and so on, have not yet been completed, and members of the public do not know what specific undertakings were made by the developer in its agreement signed with the Government. Apart from the completion time, what other specific undertakings have been made in respect of the future operation?

This agreement of the Government already bypassed monitoring by the Legislative Council. In fact, some \$2.4 billion relating to the MWP and some rural development works were deducted from the premium payable by the

developer and such deduction already bypassed monitoring of the Legislative Council. Today, the authorities still have not made public the details of the agreement. How possibly can the Legislative Council exercise any monitoring over this? I urge the Secretary once again to make public all the details of the agreement signed between the Government and the developer, in order for the public and the Legislative Council to exercise monitoring.

SECRETARY FOR DEVELOPMENT (in Cantonese): Madam President, the HoA signed between the Government and the developer in 1997 is a business document which is legally binding and so, both parties are required to discharge their obligations according to the interpretation of individual terms of the HoA. In order to answer Mr Albert HO's oral question and Mr LEE Wing-tat's written question today, I have already given a detailed explanation on the key terms and conditions of the HoA, and I would be glad to clarify any point on which further clarification is considered necessary by Members. But if Members are asking us to make public the text of this HoA today, I think it is not at all appropriate to do so, because the entire Ma Wan project is still under development and so, there is still a need for the Government and the developer, being parties to the business document, to hold talks and negotiations and in the course of negotiations and discussions, the interpretation of individual terms of the HoA will be involved. If the details of the HoA are made public now, I am afraid this might affect the Government's position in negotiating with the developer. I hope that Mr HO can understand this point.

Then, I wish to respond to Mr HO as to whether the developer has been given a special favour. Firstly, the proportion between the lots surrendered by and regranted to the developer, according to the figures provided by me earlier, does not show too great a deviation from the normal range. The lot regranted to the developer by the Government is also of the type generally not to be parcelled out. The most important point is that the lot was farmland when it was surrendered and it was a building lot on regrant to the developer, and this was fully reflected in the regrant premium assessed with the value of the site before and after the exchange factored into it. As the lot was farmland before the land exchange, its value was very low but the value of this lot, being a residential site and CDA, became very high later, and the regrant premium paid precisely reflected this difference.

PRESIDENT (in Cantonese): A total of eight Members are waiting for their turns to ask questions. Members who are called upon to ask their questions please be as concise as possible, so that more Members can ask their supplementaries.

MR LEE WING-TAT (in Cantonese): *President, I think this is the biggest land exchange of the century, for it is about exchanging 1 000 sq m, I repeat, 1 000 sq m of residential land for 120 000 sq m of new land. So, Secretary, please do not sound like as if the difference is small. If there is another application for such a land exchange today, I do not think the Secretary would approve it.*

So, the crux of Mr HO's question is that if the authorities consider that this agreement reflects the importance that the Government attaches to fulfilling contractual obligations, I think it is all the more necessary for the Government to tell the public the details of the agreement. Why did the Government, on the one hand — President, I will be concise — The whole residential development has been completed and the developer has made profits, but the facilities in the open space for public enjoyment as undertaken in the agreement, such as Noah's Ark, Solar Tower, and so on, have not yet been completed. Does the Secretary think that the Government owes the public an explanation? Moreover, why does the Government not make public the details of the agreement? How can the public know whether or not the authorities have done their job properly?

SECRETARY FOR DEVELOPMENT (in Cantonese): Madam President, with regard to the first supplementary question of Mr LEE Wing-tat, I already answered it when I responded to Mr Albert HO's question earlier on. The nature of the lot has been fully reflected in the land price, and the land price is assessed according to the market rate.

As regards the completion time of the residential development and public facilities mentioned by Mr LEE, Members may refer to the key terms and conditions mentioned in the main reply. We do have a timetable for Phase I, as the developer is required to complete it within five years from the date vacant possession of the land has been delivered to the developer. The land was

delivered to the developer in 2001. In other words, the Phase I development was originally scheduled for completion in June 2006. In 2006, the completion time was extended to the end of December 2008, and I have explained the reason for the extension. It was because there was a very substantial change in the design and theme of the Park under Phase I. Owing to the development of the Disneyland, the theme of the entire MWP, which originally focused on amusement rides, was changed to one with the main feature of a Nature Garden. This would involve many town planning procedures and road scheme amendment procedures. Having considered these external factors, the Government agreed in 2006 to the extension of the completion time. But regarding the consequences caused by the extension, we have to pursue responsibilities according to the terms and conditions of the HoA, and we fully reserve the rights of the Government in this respect.

As for Phase II development of the MWP, no specific timetable is set out under the HoA because we do not know when the land currently owned by the villagers can be resumed before it can be delivered to the developer. So, there is no question of the developer unreasonably delaying the completion of Phase II of the MWP.

MR MARTIN LEE (in Cantonese): *Madam President, under the Heads of Agreement I have a picture here showing that apart from Solar Tower and Noah's Ark, there is another key facility, namely a fire service education centre and museum, which again has not yet been completed. Besides, the roads in the MWP which were already gazetted have not yet been constructed. The residents are complaining that the developer has completed the profitable projects very efficiently but it is dragging its feet on facilities which require the injection of funds. May I ask the Government, under the Heads of Agreement, if there is any penalty for delays in the development of facilities, or whether the developer is allowed to complete the facilities anytime they like?*

SECRETARY FOR DEVELOPMENT (in Cantonese): Madam President, as I said in response to Mr Albert HO's question, the HoA stipulates that if the developer changed the design blueprint of the MWP and thus causing delays, or for other reasons, the costs and expenses for developing the MWP has decreased,

we can recover not only the difference in the land price, or the unexpended balance, which has been previously deducted, but also the interest. So, the later the completion of the facilities, the more interest payable by the developer and this can to some extent be construed as a punitive provision. If, as a result of changes to the development blueprint, the final costs and expenses for developing the MWP have increased and exceeded the amount previously deducted from the premium, all such increases will be borne by the developer. I think they had taken into account Members' concern when working on the HoA and envisaged the consequences of late completion due to delays or changes to the blueprint.

MR MARTIN LEE (in Cantonese): *Madam President, my supplementary question is whether there is any provision in the HoA stipulating a penalty for late completion, rather than just requiring the developer to pay a bit more in interest. These are basically two different issues.*

SECRETARY FOR DEVELOPMENT (in Cantonese): Madam President, what is provided for in the HoA is what I have just explained and that is, the developer is required to pay to the Government the unexpended balance and interest. This provides a platform for us to follow up with the developer and pursue responsibilities.

MR SIN CHUNG-KAI (in Cantonese): *President, I would like to ask a supplementary question concerning paragraph (vii) of part (c) of the main reply. It is stated that "The Government agrees that the MWP will be operated on a commercial basis and the company managing the MWP will set up a sinking fund." I would like to ask: Is this sinking fund already set up and how is it operated? Will fees be collected from its operation to finance the sinking fund or will the company inject a sum of money into it? If it is the latter, how much will be injected into the fund?*

SECRETARY FOR DEVELOPMENT (in Cantonese): Madam President, the sinking fund as stipulated under the HoA has not yet been set up, and there is a

reason for it. Because the HoA stipulated that if there is a surplus after deduction of the reasonable costs for operating the park, then the net profit will be injected into the fund. But the only public facility under Phase I of the MWP, namely, the Nature Garden which is one of three key facilities, is free of charge and so, there is no income at all. We are now studying with the developer and the Ma Wan Park Limited, which has been set up, how this sinking fund should be set up, the terms and conditions and the arrangements for management.

However, I can tell Mr SIN Chung-kai that the idea or spirit in the HoA is that almost all the losses incurred in the operation of the MWP will be borne by the developer, whereas the surplus after deduction of reasonable operating expenses will be injected into the sinking fund to meet the future expenses for the improvement and maintenance of the MWP. I have noticed that at the opening of the Nature Garden under Phase I of the development last year, the developer pointed out in the press release that the operation of the MWP absolutely would not generate any commercial gain for the company.

MR SIN CHUNG-KAI (in Cantonese): *The Secretary has not answered my question. Where will money for the sinking fund come from? The sinking fund has not yet been set up now but if it is going to be set up, what is the source of the seed money to be injected into this sinking fund?*

PRESIDENT (in Cantonese): Secretary, please reply.

SECRETARY FOR DEVELOPMENT (in Cantonese): To put it simply, if there is a surplus after deduction of reasonable expenses, the surplus will be put into the fund. But if losses are incurred in the operation, the fund may have no money at all or may even be in the red.

PRESIDENT (in Cantonese): This Council has spent over 19 minutes on this question. We will now proceed to third question.

Government Departments' Handling of Incidents of Leakage of Personal Data

3. **MR RONNY TONG** (in Cantonese): *President, regarding government departments' handling of incidents of leakage of personal data of the public, will the Government inform this Council:*

- (a) *as files suspected to be internal and confidential documents of the police were recently circulated on the Internet, whether, at the time when these incidents occurred, the police had internal guidelines in place instructing police officers on the ways to use and protect personal data of the public; if they had, of the contents of the guidelines; whether the police have, immediately after the leakage incident, thoroughly investigated if any police officer violated such guidelines, as well as whether they have contacted all affected persons informing them of the remedial actions to be taken in response to the incident and whether they have taken any disciplinary actions against the police officers who have violated the guidelines;*
- (b) *whether the Hong Kong Monetary Authority (HKMA) has established any mechanism requiring banks to immediately report to the HKMA incidents of leakage of personal data; if it has, why it had allowed the Hong Kong and Shanghai Banking Corporation Limited (HSBC) not reporting to it the loss of a server containing data of its customers until six days after the incident, and why the HKMA had not made any announcement of the incident in the four days following receipt of the report; and*
- (c) *whether it will review the procedure for handling personal data by all government departments, and how it will enhance the confidence of the public in the handling of personal data by the Government?*

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

- (a) All along, the Police Force have sought to govern how police officers should deal with and protect personal data in accordance with the internal guidelines drawn up for this purpose. The Police

General Orders and the Force Procedural Manual provide in detail that police officers should handle and protect personal data in accordance with the Data Protection Principles laid down in the Personal Data (Privacy) Ordinance (PDPO). The Force Information Security Manual also stipulates strict guidelines, setting out the issues and procedures which police officers should pay attention to when they handle internal information and personal data by electronic means.

The Police Force are very concerned about the recent incidents in which certain internal documents were found on the Internet. Those cases have been referred to the Technology Crime Division in the Commercial Crime Bureau for full follow-up investigation. For those cases which were not found to involve any criminal element, the Force have embarked on a disciplinary review. If, upon investigation, any police officer is found to have failed to follow the Force's internal guidelines or requirements, the police will take disciplinary action in accordance with established procedures.

In addition, the police have already informed the data subjects of the incidents concerned, and advised them to contact the police immediately for follow-up if they suspect that the disclosed personal data has been misused.

The police have set up a Working Group to conduct a comprehensive review regarding the police's existing measures and procedures regarding information security and data protection (including personal data and protected data), including a review on the policy concerning the use of private computers for office work, and to propose improvement measures so as to reduce the risk of leakage of personal data or protected data.

- (b) The HKMA has issued clear guidelines on protection of data of bank customers. The guidelines require authorized institutions (including banks) to draw up incident management procedures for loss of or unauthorized access by third party to customers' data, including the mechanism for notifying external parties (such as the HKMA and affected customers) of the incident. The supervisory standard of the HKMA requires banks to notify and submit an incident report to the HKMA after the incident as soon as possible.

Regarding the incident mentioned in the question, the HKMA received the notification of the HSBC in the evening of 2 May 2008 (Friday) concerning the bank's loss of a computer server containing data of customers on 26 April 2008. Right after receiving the notification, the HKMA did require the HSBC to conduct the relevant follow-up work, including promptly notifying affected customers, enhancing measures on protection of personal data of customers and submitting an incident report to the HKMA.

The HKMA has not allowed the HSBC to notify it of the relevant incident six days after the incident. The HKMA has already received the incident report submitted by the HSBC and will consider from the supervisory perspective whether the HSBC's handling of the aforesaid incident (including the notification arrangements) is in compliance with the requirements of the guidelines. The HKMA will consider taking appropriate supervisory actions in case it discovers any breach of the requirements of the guidelines.

Banks involving in leakage of customers' data have the responsibility to notify affected customers promptly. The manner in which banks notify affected customers, including whether to make announcements, is the decision for banks. That said, having regard to the large number of affected customers in this incident, the HKMA considered announcement-making to be an appropriate and effective way to notify customers who may be affected. As such, the HKMA did request the HSBC to announce the incident immediately after the latter had made a preliminary ascertainment on the number of affected customers and information that might have been leaked. The HSBC made an announcement on the relevant incident on 6 May 2008.

- (c) After the PDPO came into effect in December 1996, the Administration has issued a number of circulars to all Policy Bureaux and departments to explain the provisions in the PDPO and how to comply with certain requirements under the Ordinance. Bureaux and departments have to put in place their own data protection measures in accordance with the provisions in the PDPO and taking into account their specific operational needs. Each and

every bureau or department is required to appoint one or two officers as Departmental Data Controlling Officer(s) to assess, authorize, monitor and review data protection measures within the office to ensure compliance with the requirements of the Ordinance. The Office of the Privacy Commissioner for Personal Data (PCPD) also regularly provides these officers with information on the Ordinance to keep them posted on the latest development in personal data privacy.

In addition to having in place personal data protection systems tailor-made for their operational needs, bureaux and departments have to step up training for staff to enhance their understanding of the Ordinance and their alertness in handling personal data.

We encourage government bureaux/departments to send their officers to join the Data Protection Officers' Club set up by the PCPD to enhance their knowledge and understanding of the Ordinance through various exchange activities. The Club is a network for professionals tasked with the responsibility of implementing and co-ordinating measures to protect personal data privacy within their respective organizations. At present, representatives from 32 government bureaux/departments have joined the club. The PCPD will organize a seminar on personal data security in August 2008, as well as run a series of workshops between October and December for members of the Club to enrich their knowledge on personal data protection.

In 2008-2009, the PCPD has been provided with an additional funding of \$1 million to step up its promotional and educational work, including the production of a training kit on "Get to know Personal Data (Privacy) Ordinance" to enable data users in both the public and private sectors to run their in-house staff training sessions on the proper handling of personal data. The training kit is expected to be available for distribution to all government departments in early 2009. In addition, the Government and the PCPD will organize jointly a series of seminars and case studies for bureaux and departments to further enhance their understanding about the PDPO, including personal data security and handling of data access requests.

The Administration also encourages staff to make good use of the information available on the PCPD website (such as codes of practice, guidelines, guidance notes and fact sheets) to enhance their understanding of the Ordinance.

MR RONNY TONG (in Cantonese): *President, the implications of the news that the data of 300 patients were discarded yesterday like refuse by a hospital are far-reaching.*

President, I only wish to follow up part (c) of the main question. According to the reply, over the past 12 years, the Government has had in place a series of measures. However, these measures are merely self-regulatory, and it is evident from recent incidents that this self-regulatory regime has completely collapsed. Would the Secretary agree that the various problems confronting us today are attributed to our lack of sound legislation for protecting the privacy of the people of Hong Kong? If sound legislation is already in place, should the authorities take legal actions with deterrent effect against offenders instead of hoping departments or the public sector can protect the privacy of the public by self-regulatory means?

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Cantonese): Madam President, since the enactment of the PDPO in 1996 and the establishment of the PCPD, Hong Kong society and government departments have continued to raise their understanding of personal data and awareness of protecting personal data. Under the existing PDPO, actions may be taken by the PCPD. For instance, over the past several months, the PCPD and the Privacy Commissioner for Personal Data have launched formal investigations into the Hospital Authority (HA) as well as taking the initiative to investigate certain cases involving the HA and the Department of Health. The PCPD has also carried out several compliance inspections and examined the HA's overall personal data system. Over the past months, the Privacy Commissioner for Personal Data and staff of the PCPD have actively followed up more than 10 cases, including the one involving Tseung Kwan O Hospital yesterday.

Regarding Mr Ronny TONG's question on the adequacy of the existing legislation, a review has already been conducted and the Privacy Commissioner for Personal Data has also advised us on, among others, certain fundamental

issues, such as the need to raise the relevant penalty. According to the existing penalty, if enforcement notices have been issued by the Privacy Commissioner for Personal Data, any institution or person failing to comply is liable to a fine of \$50,000 and imprisonment for two years. So far, we have been acting in accordance with the existing legislation. However, the effectiveness of the legislation will be reviewed.

MR RONNY TONG (in Cantonese): *President, the existing legislation does not provide for legal consequences with immediate deterrent effect. May I ask when the Government will be willing to amend the PDPO in the context of legal consequences?*

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Cantonese): Madam President, we are currently studying with the PCPD the possible scope of review of the legislation. The review involves several major principles, such as considering whether leakage of personal data should be criminalized according to a proposal made by the Privacy Commissioner for Personal Data. Should this matter or behaviour be criminalized, many people and data users in institutions would be affected. The Privacy Commissioner for Personal Data has also questioned whether the PCPD should be responsible for initiating prosecutions direct. Under the Basic Law, however, such action should be taken by the Department of Justice. Hence, we must consider these fundamental issues in detail and give thorough consideration before a comprehensive package is formulated. I believe work on this front will be dealt with progressively after the start of the fourth term of the Legislative Council.

PRESIDENT (in Cantonese): As Mr Ronny TONG and the Secretary for Constitutional and Mainland Affairs have already spent 15 minutes on their exchange of questions and answers, I will exercise my discretion to extend the time for raising supplementary questions in connection with this question to give more Members the opportunities to raise supplementary questions.

MS EMILY LAU (in Cantonese): *President, according to the Secretary, \$1 million has been earmarked for the PCPD to carry out publicity and educational work in this fiscal year. I believe the Government was still not*

aware of the occurrence of these incidents when this estimate was drawn up. At present, the Government can still not ascertain the number of departments (including the departments under Secretary Ambrose LEE) in which such incidents have occurred. Is the sum of \$1 million adequate, President? The Privacy Commissioner for Personal Data has appeared a number of times before this Council to complain about the inadequacy of funding and authority. Will the Secretary actively undertake work — putting aside the long-term tasks mentioned by Mr Ronny TONG — to expeditiously offer assistance to the Privacy Commissioner for Personal Data, or does the Secretary think that the PCPD has already got adequate manpower to handle the disasters occurring every day?

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Cantonese): Madam President, I can make it very clear to Ms Emily LAU and other Honourable Members that the Government is very concerned about the protection of personal data. Our general goal and that of the PCPD are consistent. The annual estimate for the PCPD was approximately \$28.6 million when it was set up in 1996, and it has been progressively increased to \$39.1 million in 2008-2009. This year, out of an additional provision of \$2.8 million, \$1.8 million will be used for creating three new posts to strengthen the manpower and teams for enforcement, whereas \$1 million will be used for public education. Nevertheless, we have stated clearly to the Privacy Commissioner for Personal Data that many incidents have actually occurred during the past several months this year. In this respect, the PCPD has taken proactive steps to take follow-up actions and carry out investigations. The SAR Government is supportive of the work on this front. Furthermore, the Bureau will give consideration should the PCPD require special financial provisions in 2008-2009.

MR LEE CHEUK-YAN (in Cantonese): *President, in the face of the occurrence of disastrous privacy incidents in the public sector, I believe the problems can never be resolved without extra efforts by the Government. As pointed out by Ms Emily LAU just now, resources are, in my opinion, the most important question. The \$1.8 million, earmarked from the provision of \$2.8 million, would only be enough for employing three staff members. Given the occurrence of incidents in a number of government departments and hospitals, the three extra staff members can actually not cope with the incidents. President, there is*

this English saying of "put your money where your mouth is". Will the Secretary take proactive steps to discuss with the Privacy Commissioner for Personal Data to provide the PCPD promptly with provisional supplementary funding to immediately increase resources to enable the PCPD to really inspect all government departments? Does the Secretary have such a goal?

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Cantonese): Madam President, we have begun contacts and discussions with the Privacy Commissioner for Personal Data and staff of the PCPD in this regard. However, according to my understanding, the Privacy Commissioner for Personal Data and staff of the PCPD will accord priority to tackling the cases occurred during this period and take proactive steps to investigate the HA and other relevant departments.

MR JAMES TO (in Cantonese): *President, while the disaster involving the leakage incidents was uncovered by the Commercial Crime Bureau, it is ridiculous that even the data of the Commercial Crime Bureau should have been leaked. I hope the Government can inform Members which departments are still trustworthy after this incident. Can the Chief Executive appoint an independent commission of inquiry to thoroughly investigate all leakage incidents and make recommendations? This is the only way to enable society to examine this incident at a higher level and from a longer and wider perspective, learn from lessons, and hence come up with good proposals to enable the society as a whole to treat the leakage issue with more peace of mind.*

PRESIDENT (in Cantonese): Which Secretary is to give a reply? Secretary for Constitutional and Mainland Affairs.

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Cantonese): Madam President, I will tackle it first, and then I may defer to the Secretary for Security for additional information.

On the whole, the Government is paying great attention to and very much concerned about the need for various Policy Bureaux and relevant departments to protect personal data privacy. Over the years, the Office of the Government

Chief Information Officer has worked closely with relevant departments to ensure that information technology and computer systems are protected by adequate security measures. At the same time, continuous training with emphasis placed on privacy security arrangements is provided internally for relevant government officers. The Office of the Government Chief Information Officer, the Privacy Commissioner for Personal Data and the staff of the PCPD have also worked jointly in providing training for relevant departments. In the past month or two, having regard to the leakage of computer data by different departments, internal guidelines were issued immediately to, for instance, require the relevant departments to adopt the latest technology in handling personal data systems. If USB is used, special measures should be taken by, for instance, uploading or downloading data with the use of users' fingerprints. We will continue to assist relevant departments in performing their tasks properly by applying the latest technology.

SECRETARY FOR SECURITY (in Cantonese): Madam President, the Security Bureau is gravely concerned about the recent occurrence of a number of incidents involving leakage of data. I have personally instructed all disciplined forces under the Secretary Bureau to expeditiously carry out a full review of data security, including the security measures adopted for the computer systems currently used by disciplined forces; the handling of internal data by departmental staff, including personal data and protected data; and whether there is misuse of personal computers to perform official duties for the purpose of identifying areas for improvement.

Insofar as the Police Force is concerned, prompt measures have been taken after the recent incidents to enhance officers' awareness of a wide range of application programs for peer-to-peer data sharing, the so-called USB thumb drive, and the data security risk of relying on unreliable networks for data transmission. Furthermore, the Police Force organized in May a total of nine briefing sessions for Security Managers and issued guidelines on 28 May to require all units to explain to their police officers important matters concerning information security, including the security risk of using peer-to-peer sharing software and relevant internal guidelines. A working group has also been set up by the Police Force to comprehensively examine its information and data security, including personal data and protected data, protection measures and

procedures, including reviewing the policy of using personal computers to perform official duties, and proposing improvement measures to reduce the risk of leaking personal data and protected data.

MR JAMES TO (in Cantonese): *President, the Government has been filibustering instead of answering my question.*

President, my question is whether the Chief Executive will appoint an independent commission of inquiry. Had the matter been properly handled by the Government Chief Information Officer, the present situation would not have arisen.

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Cantonese): Madam President, we believe that protection of personal data can be enhanced with the joint efforts of the Government Chief Information Officer, the Privacy Commissioner for Personal Data and relevant departments.

MR JAMES TO (in Cantonese): *President, the Secretary has not answered the part concerning whether the Chief Executive will appoint an independent commission of inquiry. Will the commission be appointed or not?*

PRESIDENT (in Cantonese): Secretary for Constitutional and Mainland Affairs, do you still have anything to add?

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Cantonese): Madam President, the Privacy Commissioner for Personal Data is appointed by the Chief Executive.

PRESIDENT (in Cantonese): This Council has spent more than 24 minutes on this question. We will now proceed to the fourth question.

Public Expenditure on Health

4. **DR KWOK KA-KI** (in Cantonese): *Madam President, the proportion of expenditure on health to the total recurrent public expenditure (proportion of health expenditure) has been dropping since 2000-2001. The proportion for this financial year is estimated to be 14.3%, which is lower than the actual proportion of 15.3% 10 years ago. On the other hand, the Hospital Authority (HA) is facing various problems such as shortage of manpower and resources, unequal pay for the same work and patients not being prescribed appropriate medications. In this connection, will the Government inform this Council:*

- (a) *of the reasons for the proportion of health expenditure to have fallen to a 10-year low in this financial year, and whether it has assessed if this situation contradicts its repeated claims that it will continue to increase its commitment for health care services;*
- (b) *given that the proportion of health expenditure is lower than that of 10 years ago, whether it has assessed how the HA can solve the problems it is facing at present; and*
- (c) *of the additional resources required to raise the proportion of health expenditure of the HA to the level of eight years ago (that is 15.4%), and whether it has assessed if the provision of additional resources can help the HA improve its existing services?*

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

- (a) In drawing up the overall budget, the Government determines the allocation of funding to various policy area groups primarily based on the demand for public services under the respective policy area groups. The funding needs of various policy area groups are subject to variation each year to cater for specific circumstances and the implementation of new policy initiatives. There exist a host of various factors that can cause the proportion of expenditure of various policy area groups to the overall expenditure to vary with respect to each other. It is thus not very meaningful to make a year-by-year comparison of the proportion of a certain expenditure group alone.

When Hong Kong was experiencing an economic downturn in the past few years with falling prices, weakening consumption, deflation and a tight government budget, the civil service pay as well as the remuneration of the staff of subvented organizations (including the HA) had to be adjusted downward and the Government also needed to adopt a number of austerity measures such as the Enhanced Productivity Programme and the Efficiency Savings Programme. The expenditure of health policy area group fell as a result. Meanwhile, other government expenditures such as that on the Comprehensive Social Security Assistance Scheme had to be increased because of the economic downturn, resulting in a drop in the proportion of health expenditure to the overall government expenditure.

The Chief Executive has made a significant commitment to health care by pledging to increase the share of expenditure on health care in the Government's recurrent expenditure from 15% at present to 17% by 2011-2012. Besides, the Financial Secretary has also pledged to draw \$50 billion from the fiscal reserves to assist the implementation of health care reform after the finalization of supplementary health care financing arrangements for implementation after consultation. These significant pledges for funding reflect the Government's commitment to improving and enhancing our health care services. These measures require an increase in service capacity and manpower in the overall health care system, and strike a balance in meeting the demand for public services under various policy area groups.

- (b) I have just explained why there has been a drop in the proportion of expenditure on health care. I have also mentioned that under the Enhanced Productivity Programme and the Efficiency Savings Programme, the HA has implemented measures to enhance its efficiency by providing more services with the same amount of resources.

Meanwhile, the Government takes into account a host of various factors in determining the amount of subvention to be granted to the HA each year. These factors include population growth and changes in population profile, changes in service mode and

utilization, advancement in medical technology, expenditure on staff cost and training as well as equipment replacement and purchase of drugs. The Government would also, having regard to service needs, consider the grant of new additional recurrent or one-off funding to the HA each year for launching new services to the public. Such additional recurrent or one-off funding is to be used for service enhancement or improvement.

- (c) The Chief Executive has pledged to increase government expenditure on health care to 17% of recurrent government expenditure by 2011-2012. According to the current medium range forecast made for the government budget, it is anticipated that our annual recurrent expenditure will increase by about \$10 billion. We believe that these additional resources would be able to cope with the growth in service needs in the coming few years, as well as to conduct preparatory works for health care service reforms, so as to improve existing services within possible scope before we put in place any financing arrangements. We have not made a separate assessment on the amount of money involved if government expenditure on health care is to be increased to 15.3% of recurrent public expenditure.

DR KWOK KA-KI (in Cantonese): *The disease schizophrenia has just come to my mind. Why are we looking for such figures? It is because the Government said in proposing health care financing that it would inject plenty of resources to help improve the health care system for Hong Kong people. However, we actually had lower but not higher figures in the past 10 years. The Secretary has not given a reply in this connection.*

May I ask the Secretary if he knows how many patients, health care personnel and hospitals have a rough time under the Enhanced Productivity Programme and the Efficiency Savings Programme? At present, the consultation of each old patient at psychiatric specialist out-patient clinics takes seven minutes and doctors have to work 80 hours, thanks actually to the Government. As stated in part (b) of the Secretary's main reply, the Government takes into account a host of various factors in determining the amount of subvention to be granted to the HA each year. May I ask the

Secretary the grounds on which the Government reduced rather than increased the expenditure on health in the past 10 years? Has the Government done Hong Kong people justice?

SECRETARY FOR FOOD AND HEALTH (in Cantonese): Madam President, first of all, I trust that Dr KWOK should not base his arguments on the reductions made within 10 years. Let us take a look at the HA figures in the past 10 years, and let me read them out aloud: \$26.3 billion was allocated to the HA in 1998; \$27.3 billion in 1999; \$27.9 billion in 2000 when there was a financial turmoil; \$29.2 billion in 2001; \$29.4 billion in 2003; the Government reduced the grant to the HA to \$28.9 billion in 2003-2004; \$27.7 billion was allocated to the HA in 2004-2005; and \$26.9 billion in 2005-2006. I agree that less funding was allocated to the HA in these three years because of measures such as wage reduction and the Voluntary Retirement Scheme adopted under the Enhanced Productivity Programme. However, the recurrent expenditure on health in 2006-2007, 2007-2008 and 2008-2009 has respectively increased to \$27.4 billion, \$28.9 billion and \$29.7 billion, and there has been considerable growth in these three years. I think the Government made certain adjustments in the past on the basis of financial needs and the expenditure on health was only reduced in those three years but not in each of the 10 years. On the whole, the expenditure on health has increased in some measure and it is now \$29.7 billion, as compared with \$26.3 billion 10 years ago.

In reply to Dr KWOK's supplementary question, it is most important for subvention to be granted depending on the needs of the HA. We also have a larger number of doctors today than 10 years ago. I agree that there is room for improvement in respect of the morale of doctors and health care personnel, working environment and other areas, but the Government has certainly not neglected their needs.

DR KWOK KA-KI (in Cantonese): *The Secretary has not answered my question. I asked the Secretary about the most important factor in determining the reduction in expenditure on health. The proportion of health expenditure in this financial year is estimated to be 14.3%, which is lower than last year's 14.8%. We have an abundant fiscal surplus this year. Madam President, will the Secretary inform this Council of the most important factors in continuously reducing expenditure on health?*

PRESIDENT (in Cantonese): Is this part of the supplementary question you just raised?

DR KWOK KA-KI (in Cantonese): *Madam President, in the supplementary question I just raised, I referred to the Secretary's stating in his main reply that the Government takes into account a host of various factors. What are the most important factors in the Secretary's decision to reduce expenditure on health? Madam President, the Secretary has not answered this.*

SECRETARY FOR FOOD AND HEALTH (in Cantonese): Madam President, first, the expenditure on health has increased rather than decreased in the past three years. I hope Members would understand that the numerical difference comes from higher public revenue, such that people think there is reduced expenditure on the basis of the proportion. But in respect of the overall expenditure on health, there is a growth of 2% in 2006-2007, 7.2% in 2007-2008 and 2.88% in 2008-2009 (as set out in the Budget this year).

MR WONG KWOK-HING (in Cantonese): *President, the Secretary has stated in part (b) of his main reply that there has been a drop in the proportion of health expenditure because the Government has adopted austerity measures to provide more services with the same amount of resources. I would like to ask the Secretary if he is giving this "impressive" answer at the expense of the normal services for and the health of the public.*

Recently, I have received a complaint from an ambulanceman. His wife was found to have liver disease more than 10 years ago and although she is now cured, she has to return to Princess Margaret Hospital every year for tests on liver enzymes levels. But, President, when she attended follow-up at the hospital in 2006, the doctor told her that she no longer needed to return to the hospital for tests on liver enzymes levels, and she should have such tests done by private doctors. Although she only needs to pay \$600 for a test, why has the public out-patient clinic offering her normal testing services ceased conducting tests on liver enzymes levels for her since 2006? For the sake of the general public, I would like the Secretary to clarify whether it is because the Government has adopted austerity measures at the expense of the normal services for and the health of the public.

SECRETARY FOR FOOD AND HEALTH (in Cantonese): Madam President, our records showed that austerity measures were adopted not just in these two years but also in 2002-2003, 2003-2004 and 2004-2005. I hope Mr WONG would tell us the details of the case he just mentioned so that we may follow it up. Doctors determine the treatments and care for patients and we should respect their professional judgments. But we should be aware if a doctor's decisions are not up to professional standards and refer the case to the authorities concerned for investigation.

MR WONG KWOK-HING (in Cantonese): *President, the Secretary has not answered the supplementary question I raised just now. I would like the Secretary to clarify whether hospitals have stopped conducting tests on liver enzymes levels for patients since 2006. This is not just an individual case, but it tells us that this measure is still taken by the HA. Can the Secretary clarify that this measure is not taken currently? Can he tell the public openly that the out-patient clinics of the HA Department of Health still conduct tests on liver enzymes levels for patients once a year as usual and that such services would not be cut? Can the Secretary clarify this?*

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

SECRETARY FOR FOOD AND HEALTH (in Cantonese): Madam President, I have not heard of such a measure or policy of the HA, but now that Mr WONG has come across the case concerned, I wish he would provide more information to facilitate our follow-up and investigation in order to find out if such decisions have been made by some or individual doctors.

MR WONG KWOK-HING (in Cantonese): *President, can the Secretary go further to say that public out-patient clinics would continue to provide such a service?*

PRESIDENT (in Cantonese): Mr WONG, this is not part of the supplementary question you raised just now. I also think that Members should not indicate to

the Secretary how he should answer their questions because the Secretary should do so on his own. Also, if the Secretary's answer is not right, the SAR Government would have to bear responsibilities and pay a political price.

MR LEUNG KWOK-HUNG (in Cantonese): *The Secretary referred to the austerity measures adopted by the Government in his main reply just now, but that happened when there was deflation, right? We now have inflation and commodity prices are rising but the additional government funding cannot catch up with inflation. Besides, the Government has many new attempts and policies, and introduced additional services without injecting insufficient funds. How can it have sufficient funding to do so much?*

The Secretary has mentioned the proportion of health expenditure as a share of overall spending. I have another question for the Secretary. Have we done a horizontal comparison of our GDP against those of our neighbouring regions? Do we have such figures? Have we compared our GDP against those of such places as China, Singapore and Macao?

SECRETARY FOR FOOD AND HEALTH (in Cantonese): Madam President, I wish to emphasize again that the Government has experienced a pretty long period of deflation. We have a deflation since 1998 and the GDP reduced by 5.3% in 1998-1999; 2% in 1999-2000; 1.4% in 2001-2002; 1.7% in 2002-2003; and 3.3% in 2003-2004. We have experienced deflation for five or six years in a row, and we started to see growth in the GDP in 2004-2005 — it increased by 4.6%. These are the figures on the GDP. We have correspondingly increased health care funding from 2006-2007 onwards. As I have just said, in a few years' time, there has been a growth of 2% in 2006-2007; 7.2% in 2007-2008; and 2.88% in 2008-2009. Thus, the current operating needs have reached the historic peak.

We have to meet the demand for services on the one hand, and consider ways to ensure the continuance of funding on the other. The health care reform and financing proposals have recently been made in the hope that people would understand that, with a sound system, substantial adjustments would not have to be made in tandem with economic cycles and the continuance of health care expenditure could be ensured.

Regarding a comparison between Hong Kong and various regions, I do not have the relevant figures in hand, but if Members have read our consultation document, they would find a relevant comparison in the Appendix. The proportion of our health expenditure is lower than that of more advanced countries but is higher when compared with the Mainland. The proportion of our health expenditure is also higher than that of Singapore, but Singapore adopts a method of calculation that is a bit different. That is the general situation. This is a fairly complicated issue, and interested Members may first read the Appendix to the consultation document and we may discuss the matter again when opportunities arise.

MR LEUNG KWOK-HUNG (in Cantonese): *The Secretary has not answered my supplementary question. I asked if he had made a comparison but he only told us that a comparison was set out in the report. I have read the report, for advanced countries as we all know, Nylonkong refers to New York, London and Hong Kong grouped together. We should at least compare New York and London with Hong Kong. I cannot help if the Secretary has not made the comparison. As the Secretary has not made such a comparison, I hope he would enlighten us further when he attends the meeting of this Council next time.*

PRESIDENT (in Cantonese): Are you asking the Secretary for a written reply?

MR LEUNG KWOK-HUNG (in Cantonese): *Yes.*

SECRETARY FOR FOOD AND HEALTH (in Cantonese): Madam President, we will provide Members with photocopies of the relevant parts of the Consultation Document on Health Care Reform. (Appendix I)

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

MR LEE CHEUK-YAN (in Cantonese): *In my view, if Secretary Dr York CHOW is not suffering from early psychosis, he must have become*

psychologically confused for he has really gone over board. Whenever he touches upon financing, he would say the Government would inject \$78 billion in 2015, twice the amount — it should be three times or more than two times. But if we consider the past nine or 10 years, we will find that our health expenditure has increased from \$26.3 billion to \$29.7 billion, a small rate of increase of only 7%. The HA has been basically surviving on a drip feed of money from the Government in the past decade. All of a sudden, the Secretary told the public that the Government is taking a great leap forward the next seven years. I do not know what he is talking about. Would the Secretary admit that there was a drip feed of money from the Government and a shortage of resources in the past while improvements would be made in the future?

President, I also hope the Secretary would explain one point. As stated in his main reply, it is anticipated that our annual recurrent expenditure will increase by about \$10 billion the next two years, how much will be granted to the HA? If that is the case, will the HA suddenly have to "tuck in" \$8 billion to \$10 billion the next two years? Why does the Government not proceed earlier and increase funding from this year onwards rather than suddenly making an enormous injection within two years? Why can the Government not increase funding in phases so that the HA would have more funding this year? This is actually the most sensible arrangement, why is the Government not doing this?

SECRETARY FOR FOOD AND HEALTH (in Cantonese): Madam President, firstly, in making the health care reform and financing proposals, we have compiled figures for a 20- to 30-year period, and we have to examine the situation 20 to 30 years ago. Taking 1989 as an example, the total public health care expenditure was \$7.7 billion but such expenditure increased to almost \$37.1 billion in 2004. We all see that there was an increase of almost four to five times within 20 years. Our GDP was fairly high during a certain period of time, that is, in the early 1990s, and we have experienced a rapid economic downturn and deflation for five to six years after the Asian financial crisis in 1997. It is inappropriate for us to draw on the basis of a short period a final conclusion but if we make a 20-year projection on top of 20 years, I believe we would visualize a trend and discover that we are right. I hope Members will understand that we are working hard to solve our problems, not only the existing problems but also the longer-term ones. We think it is a correct method of calculation and we should tell everybody.

MR LEE CHEUK-YAN (in Cantonese): *The Secretary has not answered my supplementary question. Actually, I do not wish to debate with him over problems that would emerge in 20 years' time. He has not answered the part of my question about the future how much would the HA get out of the annual allocation of \$10 billion for two years after 2011? Why does the Government not proceed to increase funding earlier so that the HA does not have to "tuck in" a considerable one-off funding? The Government should allow the HA to digest the funding bit by bit. The Secretary has not responded to this point.*

SECRETARY FOR FOOD AND HEALTH (in Cantonese): Madam President, I think that statement is not at all correct. I believe we are increasing funding not because we would like somebody to "tuck it in" but because we would like to provide services and enhance service quality and efficiency. We would draw up a plan for the provision of additional resources in the next four years. The provision of additional resources to the HA or in other areas has the most important objective of benefiting the public. Therefore, the \$10 billion will not be granted to the HA in full for we would also like to have public-private partnership projects. We are going to do our best in respect of successful, value for money, highly efficient and quality projects. Furthermore, we have to inject additional resources into services for the grassroots, especially preventive services.

PRESIDENT (in Cantonese): I have noticed that a couple of Members in this Chamber are wearing T-shirts of the same style today. Although I do not know whether the depictions on their T-shirts are related to our agenda but it is my usual practice to remind Members if their attire is not related to the agenda. But why have I waited so long to remind Members? Because I have to ponder over it. Mr LEUNG Kwok-hung is also wearing a T-shirt of the same style, if I have not asked Mr LEUNG Kwok-hung to get changed, on what grounds can I impartially ask other Members concerned to get changed? So, I only wish to remind Members that they can make a choice themselves. If these Members would like to wear the T-shirts, and I have not intervened in one of them wearing the T-shirt, the rest of them can make a choice themselves as to whether or not they would go on wearing the T-shirts. Members may make a choice themselves.

MR LEE CHEUK-YAN (in Cantonese): *I just wish to say that the T-shirt may be somewhat related to the next item on the agenda — food banks — (Laughter) meaning that we would give a helping hand. I am only explaining this.*

PRESIDENT (in Cantonese): Please be seated. As I have just said, Members may make a decision themselves because I do not know which item on the agenda is relevant.

PRESIDENT (in Cantonese): Fifth question.

Scheme to Encourage Owners to Replace Old Diesel Commercial Vehicles

5. **MR LAU KONG-WAH** (in Cantonese): *President, in order to alleviate the problem of air pollution in Hong Kong, the Government launched a scheme on 1 April last year to subsidize owners of over 70 000 pre-Euro and Euro I diesel commercial vehicles in Hong Kong to replace their old vehicles with new ones which comply with the prevailing Euro IV emission standards. In this connection, will the Government inform this Council:*

- (a) *given that according to the information provided by the authorities to this Council's Panel on Environmental Affairs, up to end of April 2008, the Government approved 5 355 applications made under the above scheme, of the respective percentages of the numbers of various classes of vehicles involved in such applications, in the total numbers of eligible vehicles concerned;*
- (b) *whether it has reviewed the effectiveness of the above scheme since its launch (including whether, given the trade's worry that replacement of vehicles may add to their burden, the amount of the grants concerned can attract more owners of heavy goods vehicles to participate in the scheme); and*
- (c) *whether it has estimated, among those eligible commercial vehicles under the above scheme, the current number of vehicles (including goods vehicles and coaches) which travel between Hong Kong and the Mainland; given that diesel suitable for use by Euro IV vehicles*

is currently not sold on the Mainland, thus posing difficulties to owners of commercial vehicles travelling between Hong Kong and the Mainland who intend to participate in the above scheme for replacement of their vehicles, whether the authorities will explore with the mainland authorities a timetable for bringing in such diesel on the Mainland and review the incentive periods (particularly that for owners of long-haul coaches) of the above scheme so as to tie in with the timetable?

SECRETARY FOR THE ENVIRONMENT (in Cantonese): Madam President, I thank Mr LAU Kong-wah for his question.

- (a) The incentive scheme mentioned by Mr LAU Kong-wah has been implemented since 1 April 2007. As at the end of April 2008, the Government approved 5 355 applications for the grants for replacing pre-Euro (that is, older vehicles) and Euro I diesel vehicles. The replacement was mainly pre-Euro diesel vehicles which accounted for about 70% of the total vehicles approved. The number of vehicles involved in different classes and their percentage as compared to the number of eligible vehicles are given at Annex 1.
- (b) Participation in the incentive scheme is entirely voluntary. Owners of heavy goods vehicles or other diesel commercial vehicles alike will decide whether to make use of the scheme to replace their pre-Euro and Euro I diesel commercial vehicles based mainly on their financial position and their views on the business outlook. As heavy goods vehicles are more expensive, it is totally understandable if vehicle owners are more cautious in deciding whether to replace their vehicles.

In the past two months, the number of approved applications for the grants showed a rising trend, with the average number of approvals per month increased from 388 in the first year of the incentive scheme to 696 and 615 in April and May 2008 respectively. The vehicles approved in these two months involved vehicles of various classes, with about 70% being pre-Euro vehicles. This is probably due to the service life and types of the vehicles involved.

Accelerating the phasing out of the pre-Euro and Euro I diesel commercial vehicles will help bring early improvement to the roadside air quality. The duration for the grant for Euro I vehicles is three years and they still have 21 months from the application deadline. Whereas, that for pre-Euro vehicles is 18 months, and the application deadline is 30 September 2008. As the application deadline for pre-Euro vehicles is closing, their application number has increased in the past two months. We will continue to encourage eligible vehicle owners to participate in the scheme. Moreover, we will keep a close watch on the progress of vehicle replacement. If necessary, we will explore further measures to accelerate the phasing out of old commercial diesel commercial vehicles, in particular pre-Euro ones, to bring about an early improvement of roadside air quality.

- (c) As at May this year, 5 288 goods vehicles and 26 coaches travelling between Hong Kong and the Mainland are eligible for the above incentive scheme, making up about 9% of all eligible vehicles.

Using mainland diesel will not affect the operation of Euro IV diesel vehicles. In other words, basically, this type of vehicle can use mainland diesel, which is not as clean as that in Hong Kong. Mainland motor vehicle diesel differs from our local motor vehicle diesel in their sulphur content. At present, National III standard diesel (sulphur content under 0.035%) is available at all filling stations in Shenzhen. When using mainland motor vehicle diesel, Euro IV diesel vehicles emit about 5% more suspended particulates but their engines will not be damaged. Once they switch to local motor vehicle diesel, that is, cleaner diesel, their particulate emissions will decrease accordingly. Hence, we consider it unnecessary to extend the duration of the incentive scheme for cross-boundary vehicles (including long-haul coaches).

Just like Hong Kong, the Mainland, particularly the Guangdong region, has been committed to upgrading the quality of their motor vehicle diesel. Apart from motor vehicle diesel with sulphur content not more than 0.035% (that is, National III standard) being available at all filling stations in Shenzhen since April 2007, the Guangdong Provincial Government also announced in March this

year that fuel oils of National IV standard (sulphur content not more than 0.005%, on a par with Euro IV standard) will be made available in the Pearl River Delta Region by stages from 1 October 2009 onwards.

Annex 1

Progress of the Incentive Scheme for Replacing pre-Euro and Euro I Diesel Commercial Vehicles by New Commercial Vehicles
(Up to end April 2008)

Vehicle Class	Pre-Euro		Euro I	
	Number of Vehicles	Percentage of the eligible vehicles	Number of Vehicles	Percentage of the eligible vehicles
Light Goods Vehicle	2 067	10.1%	1 000	7.5%
Medium Goods Vehicle	1 427	9.3%	352	8.5%
Heavy Goods Vehicle	53	5.4%	23	5.3%
Non-franchised Bus	99	13.1%	190	16.7%
Diesel Light Bus	113	11.6%	31	2.8%
Total	3 759	9.8%	1 596	7.9%

MR LAU KONG-WAH (in Cantonese): *I notice that in the Annex provided by the Secretary, so far, the number of pre-Euro vehicles, that is, the oldest type of vehicles, that have been replaced accounts for less than 10%. Since there are only a few months to go before the application deadline, the progress is far from satisfactory.*

May I ask the Secretary if he has contacted with the vehicle owners concerned to understand why they are reluctant to replace their vehicles even though a financial incentive is being offered? Is there any other way to continue to encourage them to do so? Furthermore, the Secretary said that further measures would be introduced to phase out the types of vehicles concerned. Does this include punitive measures?

SECRETARY FOR THE ENVIRONMENT (in Cantonese): Madam President, I thank Mr LAU Kong-wah for his supplementary.

We have also noticed that the rate at which vehicle owners replace their vehicles is lower than originally expected. This is probably due to various factors, including operational factors. As we all know, of late, since operating costs are rising, many professional drivers or vehicle owners may be concerned about their business prospects.

In addition, the scheme also allows for a period of time. For example, the duration of our incentive scheme for pre-Euro vehicles is 18 months and for Euro I vehicles, it is three years. If the vehicles concerned can continue to operate and the period of the incentive scheme is not yet over, I believe some vehicle owners will wait for a time they consider most suitable to replace their vehicles.

In addition, we can also see that in the past few months, perhaps due to the fact that we have launched greater publicity and perhaps also due to the fact that the application deadline of the incentive scheme for replacing pre-Euro vehicles is drawing to a close, the number of vehicles replaced has also been on the increase. We will continue to monitor the rate of vehicle replacement in the next few months to see if the present measure can serve to attain our desired target.

MR JASPER TSANG (in Cantonese): *President, I wish to follow up the supplementary asked by Mr LAU Kong-wah just now. The Secretary said in part (b) of the main reply that if necessary, the Government will explore further measures to accelerate the phasing out of old commercial diesel vehicles. According to the figures provided by the Secretary, even though the number of vehicles replaced has increased in recent months, in fact, the total number of vehicles replaced is still a far cry from the target of replacing all vehicles, as the present percentage is only a single-digit figure.*

Concerning the Secretary's remark that he wanted to encourage vehicle owners to replace their vehicles voluntarily, should the Secretary define the word "necessary" clearly when he said "if necessary"? In addition, what actually are the "further measures"? Will they be compulsory measures? It is only in this way that vehicle owners will have the incentive to take up of this scheme.

SECRETARY FOR THE ENVIRONMENT (in Cantonese): Madam President, I thank Mr Jasper TSANG for this supplementary.

Since the introduction of this scheme, there has been a lot of discussion among the general public. On the one hand, since those old vehicles emit more suspended particulates, from the angle of environmental protection, everyone hopes that they can be replaced at an early date. On the other hand, some people also hold that the Government should adopt sterner measures, for example, by adopting certain methods, including heavier taxes, to discourage the continued use of old vehicles, so as to compel vehicle owners to switch to new vehicles. In addition, some people also doubt if the present level of subsidy is a strong enough incentive.

At the present stage, since this is the first part of the scheme and there is still some time to go before the expiry of the replacement scheme for pre-Euro vehicles, we do not want to discuss this measure too early and prematurely.

However, on the whole, we have noticed several phenomena. First, due to the rises in oil prices, the business environment of the sector may have become more difficult of late. Second, in the long run, we believe that replacing vehicles would be beneficial to vehicle owners because be it in operation or routine maintenance, new vehicles will offer more advantages. Therefore, we still hope that vehicle owners can be encouraged to replace their vehicles through financial incentives. Third, if the application deadline is not yet due but we discuss the need to defer it at too early a stage, this may send a wrong message to vehicle owners, thus adversely affecting the effectiveness of the incentive scheme.

For this reason, in view of the present situation, we think that the present approach should continue and other measures should be considered after reviewing the results achieved by the incentive scheme for pre-Euro vehicles in September. Of course, as I said in part (b) of the main reply, the Government will conduct a review of the whole situation. I do not wish to exclude any possibility. However, at the present stage, we think the scheme should continue.

MS MIRIAM LAU (in Cantonese): *Madam President, I believe the Secretary also remembers that together with members of the transport sector serving various trades, I have met the Secretary before to reflect their views on Euro IV diesel vehicles, in particular, the fact that in the course of operation, they found that there were many problems relating to Euro IV diesel vehicles.*

In additon, concerning cross-boundary vehicles, I wonder if the Secretary is aware that in the manuals for Euro IV diesel vehicles, it is stated that Euro IV diesel vehicles can only use sulphur-free or ultra-low sulphur diesel. Therefore, the high-sulphur diesel on the Mainland is not suitable for Euro IV diesel vehicles. Of course, it is possible to use it regardless, but the sector believes that this will affect the operation of their vehicles, so it is not true that there is no effect, as the Secretary maintained in the main reply.

The supplementary that I wish to raise is: Since the sector has voiced so many problems and doubts, does the Secretary agree that there is a need to deal with them? If there is, will the Secretary consider suitably extending the deadline of the incentive scheme? This is because the problem does not lie in the unwillingness of the sector to replace their vehicles but in the problems with the vehicles. They have a lot of questions and doubts concerning the type of vehicle that they will switch to. They need more time before they will have confidence in this type of vehicles. In veiw of this background and reason, will the Secretary consider extending the deadline for the subsidy?

SECRETARY FOR THE ENVIRONMENT (in Cantonese): *Madam President, I thank Ms Miriam LAU for her supplementary.*

For some time in the past, on a number of occasions, the colleagues in my department and I have had discussions with the sector concerning the replacement of vehicles, including in March and May, when together with several dozen representatives of the sector, Ms Miriam LAU had discussions with us concerning the implications of the measure to switch off idling engines and the technical problems relating to the introduction of Euro IV diesel vehicles.

In these discussions, the colleagues of the Environmental Protection Department also directly invited the engineers of some vehicle suppliers to Hong Kong to have tripartite discussions to deal with the problems that might arise in the operation of certain types of vehicles, and some solutions were proposed.

For example, I know that these suppliers have proposed some technical changes to the devices on Euro IV vehicles to see if improvements can be seen in the operation of these vehicles in Hong Kong. I believe that the work in this area will definitely continue and I also find that there can be technical solutions.

In addition, as I said in part (c) of the main reply, since Euro IV diesel vehicles are mainly supplied to the Hong Kong market, suppliers will certainly mention in the manuals provided to owners what kind of diesel is recommended for the Hong Kong setting in order to meet requirements of environmental protection. However, I have also sought the advice of vehicle manufacturers and professional colleagues on this issue and learnt that even if Euro IV diesel vehicles use diesel that is not so clean, that is, diesel with a higher sulphur content, it will not cause damage to the parts. Therefore, it is on this basis that I provided the main reply.

As regards Ms Miriam LAU's question on whether or not we will extend the period of the scheme on account of the two reasons cited, as I said in reply to Mr Jasper TSANG's question, at the present stage, we will try to solve the technical problems as far as possible but whether vehicle owners will replace their vehicles or not actually depends on various factors. Concerning the technical problems, they must be solved no matter if the period of the scheme will be extended or not and it is a direction that we are heading towards. As regards whether it is necessary to extend the period of the scheme, we believe that at the present stage, we should continue to implement the scheme but we will also keep tabs on the situation and give this matter consideration in due course.

DR LUI MING-WAH (in Cantonese): *President, according to government figures, the number of pre-Euro and Euro I vehicles stands at about some 53 000 or 54 000 and they account for less than 10% of the total number of vehicles in Hong Kong. May I ask the Government if it has calculated or conducted tests on how great the effect on air quality in Hong Kong will be after all pre-Euro and Euro I vehicles have been replaced by Euro IV vehicles? What I mean is: If the figures obtained after testing show that the replacement of all such vehicles will only have minimal effect on the air quality and the emission of sulphur and suspended particulates in Hong Kong, why is it necessary to compel vehicle owners to replace their vehicles so quickly? Why not wait until they want to dispose of their vehicles to replace them?*

SECRETARY FOR THE ENVIRONMENT (in Cantonese): Madam President, I thank Dr LUI for this supplementary.

Madam President, in terms of the present number of vehicles, Dr LUI is right in saying that the vehicles to be replaced do not constitute the bulk of vehicles. However, in terms of the use of vehicles, since the great majority of these vehicles are commercial vehicles, their utilization rate in the urban area is indeed higher than that of other vehicles in general, for example, that of private cars, in terms of their frequency of use and the routes they ply.

Besides, since they run on diesel, if the sulphur content of the diesel used is high, the emission of sulphur dioxide will have a direct bearing on air pollution. According to some simple figures, for example, the sulphur content of the diesel for Euro V vehicles is 80% lower compared to ultra-low sulphur diesel. The differences between the newer Euro IV vehicles and other types of vehicles are also very marked. As far as I know, if we compare pre-Euro vehicles with Euro IV vehicles, the differences in the level of suspended particulates and nitrogen oxide are as great as 15 times to 30 times. For this reason, from the angle of the environment, the earlier old vehicles are replaced, the more beneficial it will be to the environment and this is also the original intention of this scheme.

However, in view of the social setting of Hong Kong, we also have to consider the actual mode of business operation when introducing this scheme. Therefore, we chose to adopt financial incentives to encourage vehicle owners to switch to cleaner models or use cleaner fuels as far as possible by means of this incentive scheme.

DR LUI MING-WAH (in Cantonese): *President, the Secretary did not answer my supplementary. What I am asking is: How great an effect will replacing all these vehicles have on the overall air quality in Hong Kong? What the Secretary said just now was theoretically and conceptually correct but*

PRESIDENT (in Cantonese): You do not have to make comments. If the Secretary has not yet replied to your supplementary, I will ask him to do so. Secretary, please.

DR LUI MING-WAH (in Cantonese): *he did not reply to my supplementary.*

SECRETARY FOR THE ENVIRONMENT (in Cantonese): Madam President, Dr LUI mentioned it is very difficult for me to quantify in absolute terms the changes after replacing all the vehicles with a figure, but I remember that when I replied to a question on air pollution last week, I mentioned a lot of environmental measures relating to the use of vehicles. In recent years, the concentration of roadside pollutants have been reduced by about 15% to 22% when compared with that in 1999.

On the whole, vehicles are the second major source of pollution in Hong Kong. Moreover, since the utilization rate of commercial vehicles is higher, particularly given that the emissions of pre-Euro and Euro I diesel vehicles are higher than that of existing Euro IV vehicles, an improvement in this regard will obviously be beneficial to the entire environment to some extent.

DR LUI MING-WAH (in Cantonese): *President, the Secretary has not answered my supplementary. If the authorities have such figures in the future, can they be provided to us?*

PRESIDENT (in Cantonese): Do you wish the Secretary to give a reply in writing? Secretary, what do you think?

SECRETARY FOR THE ENVIRONMENT (in Cantonese): Madam President, if Dr LUI requests me to provide figures to show by how much air pollution can actually be reduced after all the work has been done, I believe it would be difficulty to do so. However, if he wants the figures cited by me just now, since I have also provided them in the past, I am happy to provide them to Members again. (Appendix II)

PRESIDENT (in Cantonese): We have spent more than 21 minutes on this question. Last oral question now.

MR SIN CHUNG-KAI (in Cantonese): *President, what I want to ask is: Since*
.....

PRESIDENT (in Cantonese): Mr SIN Chung-kai, you should now ask the last oral question. *(Laughter)*

MR SIN CHUNG-KAI (in Cantonese): *In fact, I also wish to ask a supplementary concerning the question just now, that is, why pre-Euro coaches are not included.*

Using Information Technologies to Serve People

6. **MR SIN CHUNG-KAI** (in Cantonese): *The Chief Executive stated in his policy address last year that he "will adhere to the 'people-based' principle in public services planning and identify what our people need, so as to provide them with more efficient and convenient services". In this connection, will the Government inform this Council:*

- (a) *of the specific measures taken by the Government in the past six months which used information technologies (IT) to implement the "people-based" principle, and how these measures have achieved the target of "providing them with more efficient and convenient services";*
- (b) *of the work plans to be launched by various government departments in the coming six months under which IT will be used to provide members of the public with more efficient and convenient services; and*
- (c) *whether the concept of Web 2.0 has been introduced for the people to tell the Government through electronic channels what they think and need, so as to facilitate various government departments to deliver their services in adherence to the "people-based" principle?*

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Cantonese): President, IT is a key enabler of applying the "people-based" principle to planning and delivering public services. We have widely used IT to bring more efficient and convenient services to the public. The improvements in efficiency and convenience take several forms such as reducing users' transaction costs, cutting turnaround times, enabling access to services outside office hours and providing a more personalized service.

My reply to the three-part question raised by Mr SIN Chung-kai is as follows:

- (a) Over the past months, we have developed and enhanced several IT systems in order to improve efficiency and convenience to users. I shall quote a few examples. The new e-Tax service provides a more personalized experience for taxpayers compared with previous online tax services. The Leisure Link Self-Service Kiosk System has made it quicker for members of the public to book sport facilities and leisure activities. The online licence application tracking has facilitated multi departments to join hands to further improve the licensing efficiency. Finally, the use of e-channels at the airport has been extended to frequent travellers, which enables them to enjoy speedy immigration clearance.

We have also made it more convenient for the public to find the information and e-services that are relevant to them. The GovHK one-stop portal launched last year organizes information in a user-centric way. The greater convenience has been reflected in growing usage of the portal and in the findings of customer satisfaction surveys. Eighty-seven per cent of the respondents opined that their required information and services can be easily located, and 95% would like to use GovHK in the future.

In order to provide convenient access to computing facilities including online public services, some 5 600 computers with Internet access have been installed in around 1 000 locations for free public use; free Wi-Fi service is being rolled out at specified government premises; and the Hong Kong Housing Authority also makes available facilities at 120 public housing estates for service providers to provide free Wi-Fi services to their tenants.

- (b) In future, we will use IT to further enhance the efficiency and convenience of public services by launching new e-services, by improving the usability and convenience of existing services and by further widening access to computing facilities.

Over the next six months, over 10 new e-Government services will be provided to the public; over 15 e-Government services will come on stream in 2009 and 2010.

To name two examples. The Transport Information System will make it more convenient for the public to plan journeys by providing up-to-date traffic information and allowing them to search for optimal routes using public transport. And the development of the Electronic Health Record system will make it more efficient and convenient for patients to obtain integrated care from different health care providers.

We will also make it more convenient for the public to find and use relevant information and services. We will provide a geographical user interface to make it more convenient and efficient for users to find location-based information. And we will use our Unified Identity Management Framework to provide a more convenient way for the public to register for and use e-services, while verifying their identity and safeguarding their personal data.

On accessibility, we shall conduct a pilot scheme in setting up district cyber centres which will provide the hardware as well as technical support for children from low-income families and other needy residents to access online resources.

- (c) The Government is keenly aware that Web 2.0 and the related interactive technologies are powerful tools which can enable the Government to gain a better understanding of what the people think and need, so as to improve public service delivery. There are many instances of Web 2.0 applications being used to identify what people need and think. For example, a blog entitled "VENTURES" was launched in May 2008 to encourage readers across Canada, Hong Kong and the Mainland to share their thoughts

on trade and business issues. And I used a blog to initiate and participate in interactions with citizens on the 2008 Digital 21 Strategy for four months after it was published last December.

At the same time, we are mindful that much of the population is yet to become familiar with Web 2.0 features and that some aspects of Web 2.0 can involve greater security/privacy risks. We therefore expect to use more traditional techniques for engaging with the public alongside Web 2.0 for a considerable time.

MR SIN CHUNG-KAI (in Cantonese): *I wish to raise a question on the part concerning the Unified Identity Management Framework. At present, several means are available. The first one is the so-called "e-cert"; the second one is the eTax mentioned by the Secretary in part (a) of the main reply, and the Inland Revenue Department has also set up a password for logging in the system.*

I wish to ask the Secretary whether he intends to provide a unified means or otherwise. Will the Secretary provide a further explanation on the difference between the "e-cert", e-Tax and the Unified Identity Management Framework mentioned here? Will the future concept involve the logging in of the systems of all government departments with a single approach to verify the user's identity?

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Cantonese): If I have understood correctly the supplementary question raised by Mr SIN just now, he is asking how the Unified Identity Management Framework works. At present, members of the public are required by individual bureaux/departments to complete different registration procedures in order to use the e-service provided by the Government, and different approaches of identity verification are used according to the level of risk involved in the relevant e-service. Even if the same approach is adopted, the requirement for identity verification may be different.

However, with this Unified Identity Management Framework, members of the public may complete the registration and identity verification procedure with the same approach, which has also provided an opportunity for co-operation among different bureaux/departments in exploring the possibility of enabling

members of the public to access the e-service provided by different bureaux/departments after completing a single registration procedure. This framework is in compliance with the security/privacy requirements.

I am not sure whether this has addressed the supplementary question raised by Mr SIN.

MR SIN CHUNG-KAI (in Cantonese): *Regarding the Unified Identity Management Framework, as the e-cert is already available, and the Inland Revenue Department has also established an identity management system, is the Government trying to use a third system to replace these two old systems? This is my supplementary question.*

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Cantonese): As this question is quite technical, President, please allow me to provide the relevant information to Mr SIN in writing. (Appendix III)

DR LUI MING-WAH (in Cantonese): *The Government provides a lot of electronic information to the public. However, I think the Government should consider one point, that is, Hong Kong is a small place with a lot of traffic. Wherever there is a traffic jam, places affected will be extended, for example, from Tsim Sha Tsui to the New Territories.*

Under such circumstances, how can the Government enable motorists of commercial vehicles or private vehicles to be informed of the congestion of the relevant routes before starting their trips? If this can be achieved, it will do immeasurable good.

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Cantonese): Dr LUI, under the Transport Information System I mentioned in the main reply, two major services are available. First, its intelligent road network is a geographic user interface which provides motorists with the most up-to-date information on traffic direction, traffic interchanges, turning movements,

stopping restrictions, and so on. Another interface is a public transport information service which is an Internet information service for public transport passengers and motorists to enable them to search the optimum route.

Regarding the implementation of the Transport Information System, it is expected that the relevant work will be completed within this year. In other words, members of the public can search the relevant road traffic conditions on the Internet before starting their trip. Besides, it also assists the public in searching the optimum route. This is different from the existing approach in which we have to rely on the radio or the television to obtain information provided by other sources while unable to obtain the necessary real-time information on the Internet. For example, Dr LUI had to come to the Legislative Council Building this morning to attend a meeting, so he could simply click a point on the Internet at home before he started the trip to get information on the overall traffic conditions and the quickest route to take. Therefore, I believe the launch of this system will benefit the economy as a whole.

DR LUI MING-WAH (in Cantonese): *President, is this system available for use now? Can such information be obtained through mobile phones?*

PRESIDENT (in Cantonese): Dr LUI, this is not part of the supplementary question you raised just now. If you wish to raise this question, please wait for a second turn.

MR LEUNG KWOK-HUNG (in Cantonese): *Secretary, information flow is definitely an important right under the right to information enjoyed by citizens. Many people have complained to me that now a lot of large-scale sports events, such as the UEFA European Championship, the Olympics Games, and so on, are monopolized by pay-TV operators, thereby rendering many poor people and those who cannot afford subscription to pay-TV services unable to enjoy such services.*

May I ask the Secretary whether the Government has any responsibility or policy to enable more members of the public to view such events? I mean when

granting licences, can the Government require operators to bear the responsibility of extending the broadcasting time or providing live broadcast of the relevant programmes free of charge when necessary? A lot of people, including reporters, have requested me to raise this question.

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Cantonese): President, a lot of the events mentioned just now by Mr LEUNG Kwok-hung involve complicated commercial elements. In other words, the relevant organizations have paid a huge sum of money for the right to broadcast such events. Therefore, the relevant programmes are charged, which is certainly understandable.

Regarding the public, as far as I can recall, people in Hong Kong can often enjoy a privilege, that is, many shopping centres will broadcast some popular sports events or ball games. For example, during the time when the World Cup was on, if my memory is correct, large screens were installed in many shopping centres for the public to view such events for free.

Therefore, in this regard, we have to respect the principles of commercial operation of such organizations. I believe that as Hong Kong is an international city and a commercial city, members of the public can often view programmes, especially those mentioned by Mr LEUNG Kwok-hung just now, free of charge. I think that to a certain extent, it will be difficult for the Government to impose regulation on them and require them to allow the public to view these programmes free of charge, and it is not clear how a line should be drawn in this respect.

Therefore, I hope that members of the public can appreciate this. However, if the activities are subsidized by the Government, we will definitely endeavour to allow the public to view them through a free channel.

MR LEUNG KWOK-HUNG (in Cantonese): *The Secretary has not answered my supplementary question.*

PRESIDENT (in Cantonese): Is your supplementary question not answered yet? Please repeat the part of your supplementary question which has not been answered.

MR LEUNG KWOK-HUNG (in Cantonese): *I asked the Secretary whether any measures are in place and whether there is any plan to do so. He has just answered that it is commercial operation. In fact, there is public broadcasting service in many overseas countries. They broadcast*

PRESIDENT (in Cantonese): Mr LEUNG, you need only repeat the part not answered.

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Cantonese): President, there is no public broadcasting service in Hong Kong yet, with programmes produced by the Television Division of Radio Television Hong Kong being exemptions.

In fact, I have answered in full the question raised by Mr LEUNG Kwok-hung just now. To make it short, we do not have any measure at the moment to satisfy the request put up by him just now.

DR LUI MING-WAH (in Cantonese): *The Secretary indicated just now that the Government would launch the Transport Information System in the next six months to provide transport information. However, members of the public have to access the Internet at home before they can obtain information on the road traffic conditions. This is a passive provision of information.*

May I ask whether motorists can obtain such information on the phone when they are caught in a traffic jam when driving?

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Cantonese): President, we will find out whether we can engage in co-operation with private organizations, for example, whether we can provide such information over the phone or through other channels. In this regard, I am very grateful to Dr LUI for his opinion, and actually it is under consideration.

MR SIN CHUNG-KAI (in Cantonese): *In response to part (c) of my main question on the technology of Web 2.0, the Secretary mentioned some concerns.*

However, the technology itself is an excellent channel to collect public opinions on the Government's administration, and with this technology, the public can put up their requests, express their expectations or even make criticisms of government services on the Internet, such as whether or not the remuneration package of the Under Secretaries should be made public, and so on.

May I ask the Secretary whether there is any measure to enable the systematic utilization of this technology so that such an interface can be used to collect public opinions and requests on the Government's administration?

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Cantonese): In fact, as I indicated in the main reply, when the 2008 Digital 21 Strategy was published, I did make use of this technology. Besides, the Home Affairs Bureau has also set up online forums for the West Kowloon Cultural District Public Engagement Exercise. In fact, there are still many other examples. It will take a few minutes for me to explain them one by one, but I do not want to waste Members' time. Given the opportunities, we will make use of this interface to let the public express their opinions. I am very grateful to Mr SIN Chung-kai for making this suggestion.

PRESIDENT (in Cantonese): Oral questions end here.

WRITTEN ANSWERS TO QUESTIONS

Web Sites Using Domain Names Ending with ".gov.hk"

7. **MR FREDERICK FUNG** (in Chinese): *President, regarding web sites set up by government departments and related organizations which use domain names ending with ".gov.hk", will the Government inform this Council:*

- (a) *of the web sites which have not yet met the requirements of priority levels 1 and 2 of the Web Content Accessibility Guidelines 1.0 formulated by the World Wide Web Consortium;*

- (b) *of the web sites which do not support or fully support open source browsers such as Firefox, thus rendering people using open source browsers unable to access all contents;*
- (c) *of the web sites which only provide documents in non-open standard formats (for example, MS Word) for downloading by the public, thus rendering those who lack the means to buy the expensive software concerned unable to use these documents;*
- (d) *of the web sites the web pages of which do not have text only version or cannot be displayed in linear format, thus causing a barrier to the visually impaired in browsing their contents; and*
- (e) *whether it will request the relevant government departments and related organizations to improve the design of their web sites so as to ameliorate the situations mentioned in parts (a) to (d) above; if so, of the implementation timetable?*

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Chinese): President, as of May 2008, there are 392 web sites which use domain names ending with ".gov.hk". Out of these, 218 are hosted under the Government's Central Internet Gateway while the others are administrated individually by the respective bureaux/departments. Of the 218 centrally hosted web sites, they already account for over 733 000 web pages of contents and more than 173 000 downloadable documents available for public access. Given the design and content of those web pages and downloadable documents are being continually revised and updated by the respective bureaux/departments in line with their business needs and services delivered to general public, we do not maintain a master list on the detailed design and content of all the web sites and services having domain names ending with ".gov.hk".

On the other hand, the Government has established extensive internal guidelines ("Guidelines for Dissemination of Information through Government Homepages") on best practices in the design of web pages and electronic services, with reference to international practices and inputs from the industry and community groups on people with disabilities. All government bureaux/departments have revamped their web sites to comply with the web

accessibility standards as published in the guidelines since 2003. In addition, all government web sites are also regularly monitored to ensure that they comply with the web accessibility standards set out in the guidelines.

Regarding the questions raised by the Mr Frederick FUNG, my reply is as follows:

- (a) All web sites with ".gov.hk" domain names have been regularly monitored and verified their compliance with the web accessibility standards as defined in the abovementioned government internal guidelines. The guidelines covers all the requirements in priority I and priority II levels as set out by World Wide Web Consortium in the Web Content Accessibility Guidelines 1.0 that are relevant for adoption by government web sites. The minor differences are those involving old technologies that are seldom adopted or where there exists an alternative approach to addressing the concerned web accessibility issues.
- (b) According to a recent survey conducted with webmasters of web sites with ".gov.hk" domain names, they confirmed that all ".gov.hk" web sites under their purview can be viewed with different open source browsers (such as Firefox) except two¹. The concerned webmasters have been requested to consider making the necessary enhancements in this regard.
- (c) Our internal guidelines as mentioned above suggest portable document format (.pdf files) file as the preferred option for documents posted in government web sites for public downloading, in view of its advantages in accessibility over other formats. For example, PDF document reader can be freely available on the Internet.

In the same survey mentioned in part (b) above, it is found that a very small number of the documents for public downloading are adopting proprietary format documents. The rationale for this is mainly in response to user requests. For example, target users

¹ The two websites are:
http://www.cervicalscreening.gov.hk/tc_chi/csis/csis_what.php
http://www.toothclub.gov.hk/chi/home_07.htm

may prefer certain kinds of document formats to facilitate form filling and/or further data analysis. While these documents are provided in proprietary formats, it is pertinent to note that these documents can also readily be opened and edited by using open source software that is freely available on the Internet.

- (d) Our internal guidelines advise that two different approaches can be adopted by bureaux/departments to achieve web accessibility. One approach is to implement accessibility design features, such as providing text-equivalent for multimedia contents, in the graphic version. Another approach is to provide an alternative text-only version in addition to the graphic version. Both approaches follow international web accessibility practices in enabling the visually impaired to access the contents in the web pages, and are respectively adopted in all the web sites with ".gov.hk" domain names, with due regard to their different content and service design requirements.
- (e) An inter-departmental committee is responsible for regularly reviewing the internal guidelines for dissemination of government information on the Internet. The latest version of the guidelines was released in early 2008. The committee will continue to keep abreast of the latest web accessibility related international developments and inputs from industry and user groups with a view to keeping the guidelines up-to-date and functional.

Residential Care Homes

8. **DR FERNANDO CHEUNG** (in Chinese): *President, it has been reported earlier that some residential care homes (RCHs) for open bidding by non-governmental organizations have, between their obtaining occupation permits (OPs) issued by the Buildings Department and their coming into formal operation, been left vacant for as long as several years, because the Social Welfare Department has still not put them out to tender although their construction had been completed for a few years (for example, an RCH for the elderly at Hong Shue House of Lei Muk Shue Estate has been left vacant for three years and has still not been put out to tender). In this connection, will the Government inform this Council:*

- (a) *apart from the above RCH for the elderly in Lei Muk Shue Estate, whether currently there are any other RCHs for the elderly and RCHs for people with disabilities (PWDs) in various districts which have been issued with OPs but have not yet come into formal operation; if so, in respect of the two types of RCHs, of the respective locations, duration of vacant periods (calculated from the issue of OPs) and reasons for being left vacant;*
- (b) *of the respective locations of RCHs for the elderly and RCHs for PWDs which came into operation in the past three years, and whether they had been left vacant before operation; if so, of the duration of vacant periods and reasons for their being left vacant; and*
- (c) *whether there are any concrete measures to expedite the tender process of newly-built RCHs for the elderly to ensure that they will come into operation expeditiously?*

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

- (a) At present, apart from the residential care home for the elderly (RCHE) in Lei Muk Shue Estate, there is one completed property in Kwai Chung Estate which is under the Social Welfare Department (SWD). The concerned property is a purpose-built RCHE in the public housing estate of the Housing Department (HD).

Generally speaking, after the HD has obtained confirmation from concerned department(s) that the newly completed RCHE premises are suitable for occupation, the HD and SWD will inspect the premises carefully to see whether they meet the requirements for operating RCHEs in full, and will require the concerned department(s) to carry out remedial or improvement works for areas failing to meet the requirements. After completion of the works, the SWD will formally take over the premises and proceed with the tender process in accordance with the established procedures.

As far as the abovementioned RCHE property in Kwai Chung Estate is concerned, the SWD formally took over the property in

September 2007 and is now carrying out the open tender procedures to select an operator. We expect the operator to be successfully selected before the end of 2008.

As for rehabilitation services, there is no concerned welfare project in Kwai Chung Estate under the SWD. The SWD has earmarked a property for RCH for PWDs in Lei Yue Mun Estate in Kwun Tong. At present, the HD is conducting improvement works to the property, while the SWD is in parallel selecting an operator for the RCH. We expect the operator to be successfully selected in the middle of this year.

- (b) In respect of RCHEs, there are five new purpose-built RCHEs that commenced operation from June 2005 up till now. The concerned RCHEs are located in Hong Kong East, Tin Shui Wai, Kwun Tong, Wong Tai Sin and Tsuen Wan/Kwai Tsing.

After the formal take-over of the concerned premises by the SWD, the Department had already drawn up the layout plans of residential care places based on the actual environment of individual RCHEs, worked out the number of residential care places that could be provided in each RCHE based on the statutory requirements, set out the operational requirements and contract sum, and successfully selected operators through open tender. The whole process took about a year and a half on average. After the award of contracts by the SWD, the concerned operators had immediately started the fitting-out works, purchase of furniture and equipment, recruitment of staff, provision of pre-employment training to staff members and application for licence(s) required. During this preparatory period, the operators had also discussed the admission arrangements with prospective elderly residents and their family members, and completed relevant procedures, so that elders could be admitted immediately after the RCHEs were ready in every aspect.

As far as rehabilitation services are concerned, the SWD has awarded service contracts of three RCHs for PWDs in Tin Shui Wai, Sha Tin and Tseung Kwan O in the past three years. The concerned RCHs have all commenced operation. The operators of the concerned RCHs were selected through invitation of proposals.

In general, it takes an average of one and a half years to complete the process, that is, from take-over of the premises and invitation of service proposals from organizations by the SWD to completion of fitting-out works and commencement of operation by the selected operator.

- (c) To expedite the commencement of service in newly completed premises for contract RCHEs, the SWD is reviewing the relevant workflow and arrangements. The SWD is discussing with concerned departments to explore room to further speed up the open tender process with prudence, including commencing the preparatory work before the formal take-over of the RCHE premises.

Service Life of Cross-Harbour Tunnel

9. **MR LEUNG YIU-CHUNG** (in Chinese): *President, regarding the Cross-Harbour Tunnel (CHT) at Hung Hom, will the Government inform this Council:*

- (a) *of the designed service life of the CHT;*
- (b) *whether it had surveyed the structural condition of the CHT over the past five years to assess its remaining service life; if it had, of the result and whether reinforcement works were required, if no survey had been conducted, the reasons for that and when such survey will be conducted; and*
- (c) *whether the structural condition of the CHT has shown any sign of ageing; if it has, of the remedies; if not, when such signs are expected to show?*

SECRETARY FOR TRANSPORT AND HOUSING (in Chinese): President, I would like to reply to the three parts of the question as follows:

The CHT at Hung Hom was built as a "Build, Operate and Transfer" project. The franchise of the tunnel was awarded in 1968 and its ownership was

transferred to the Government upon the expiry of the franchise in 1999. As the tunnel was built 40 years ago, we do not have in our possession records that indicate the design service life of the tunnel.

At present, Highways Department (HyD) and Civil Engineering and Development Department (CEDD) are responsible for the maintenance and repairs of CHT. The tunnel structure has all along been maintained professionally and properly. The tunnel operator carries out daily inspection of the road surface and facilities of the tunnel. The CEDD is responsible for the maintenance of the immersed tube structure, and conducts quarterly inspections of the reinforced concrete structure and annual surveys to monitor the movement of the tunnel alignment and the thickness of the protection layer. The HyD is responsible for the maintenance of the portal sections on both sides of the tunnel and associated structures, and inspects such structures every six months to detect surface defects. The HyD also carries out a comprehensive inspection every two years, including using non-destructive testing, to assess the conditions of such structures.

The CEDD engaged a consultant engineer in 2003 to assess the maintenance of the immersed tube structure. According to the assessment report, such structure had been kept in good condition and could continue to be in service for over 70 years. The Government would continue to keep the tunnel under regular inspection, maintenance and assessment to ensure that its structure is sound and durable.

Development of a Theme Park in Ma Wan

10. **MR LEE WING-TAT** (in Chinese): *President, regarding the development and management of the Ma Wan Park (MWP), will the Government inform this Council:*

- (a) *of the terms of development requirements set out in the MWP development agreement signed between the Government and the developer in 1997 (please list out the details), including the total area of the MWP, the recreational facilities and amusement rides to be provided in Phase I, the theme adopted in the design of the park, the facilities to be provided in Phase II and the completion date of*

Phase II; and why the Government still proceeded to sign the agreement when it was aware that the development plan of Hong Kong Disneyland had already been confirmed;

- (b) given that the developer has revised the design of the MWP from a theme of active recreational facilities to a park with a theme based on "Naturally Hong Kong", of the differences between the former and the new design of the park (please list out the details), including whether there is a change in the total area of the MWP, and the facilities added and deleted; of the authorities' reasons for consenting to the revision of the design and deferral of the completion date of Phase I from June 2006 to 31 December 2008; whether the developer is required to make any payment to the Government for deferring the completion date; if not, of the reasons for that;*
- (c) given that the Solar Tower, one of the facilities in Phase I of the MWP, cannot be completed by the end of this year due to revisions made to the road scheme concerned, of the details of such revisions; whether the authorities have assessed the losses to the public caused by the delay in the commissioning of the facility as a result of the revisions made to the plans or design by the developer, and whether the developer has been requested to make compensation to the Government for such losses;*
- (d) in addition to the setting up of a sinking fund, of the other terms relating to the operation, maintenance and management of the MWP set out in the agreement, including the measures in place to deal with a shortage of operating funds for the MWP;*
- (e) of the channels available for the public to monitor the operation of the MWP and the accounts of the sinking fund, as well as to lodge complaints about the management of the park; and*
- (f) whether the MWP is situated on Government land, and how the authorities will draw up provisions governing the management of the park (including the opening hours and admission fees for various venues); when the drafting of such provisions will be completed;*

whether the District Council concerned will be consulted on such provisions; and whether such provisions will be submitted to the Legislative Council for scrutiny in the form of subsidiary legislation?

SECRETARY FOR DEVELOPMENT (in Chinese): President, my reply to the various parts of the question is as follows:

- (a) The key terms and conditions of the Heads of Agreement (HoA) for the development of the MWP signed between the Government and the developer in 1997 are as follows:
 - (i) The construction and development of the MWP may be implemented by the developer in two phases. The developer will bring Phase I of the MWP into operation within five years from the date vacant possession of the land has been delivered to the developer. Given that the Phase II development can only commence after the villagers of the lots in question and the residents of the stilted structures have been vacated, no completion date has been set;
 - (ii) The MWP will be used and operated as a public recreational development which shall include features for entertainment, recreation, amusement, shopping, restaurants, kiosks, catering, advertising and other commercial facilities as may be approved by the Director of Lands (the Director);
 - (iii) The developer shall build the MWP in accordance with the approved Master Layout Plan (MLP). Should amendments be made to the approved plan, approval should be sought from the Director;
 - (iv) The costs and expenses of the development of the MWP may be deducted in the calculation of the premium payable on the grant of the Northeastern "Comprehensive Development Area" (that is, the Park Island lot) or the grant of the MWP land;

- (v) In the event of any changes to the MLP or for other reason, resulting in a decrease in costs and expenses for the development of the MWP, the developer shall pay to the Government interest on the unexpended balance of the sum which has been previously deducted from the premium in question and interest. Nevertheless, any increase in the costs and expenses for the development of the MWP shall be borne by the developer;
 - (vi) The company managing the MWP shall have full rights and discretion to enter into agreement(s) for the management and/or day-to-day operation of the MWP and grant licences or tenancies of the MWP, provided that no estate or interest in land in the MWP shall be created or conveyed under the said agreement(s); and
 - (vii) The Government agrees that the MWP will be operated on a commercial basis and the company managing the MWP will set up a sinking fund. Net profit after deduction of reasonable operating costs shall be paid to such sinking fund for the purpose of maintenance, repair and improvement of the MWP.
- (b) According to the MLP submitted to and approved by the Town Planning Board (TPB) in 1994, the MWP, which would occupy an area of about 17 hectares, would be developed as an "international style" closed theme park with a large number of rides. It comprised five themes, namely, "South China Sea Village", "Old Hong Kong", "New Hong Kong", "Nature Park" and "Children's Adventure World" with ancillary recreation and exhibition facilities. The whole park was envisaged to be fenced and visitors would be required to pay an entrance fee. The approved MLP did not distinguish the facilities to be provided in Phase I or Phase II. The development of the MWP is part and parcel of the comprehensive development of Ma Wan. Negotiations about this project commenced in the 1990s and the HoA was signed in June 1997, earlier than the plan of developing the Hong Kong Disneyland.

Given the subsequent development of the Hong Kong Disneyland and the need to conserve vegetation and preserve the setting of the Ma Wan Old Village, the developer proposed the theme of "Naturally Hong Kong" for the MWP, with emphasis on retaining and refurbishing the existing structures in the Ma Wan town and conservation of the natural environment. Based on this new concept, a revised MLP for the MWP was submitted by the developer in 2003 and approval with conditions was granted by the TPB. The final amendments to the MLP were approved by the TPB in 2006.

According to the MLPs approved by the TPB in 2003 and 2006, the area of MWP, which is to be developed in two phases, is about 19 hectares. There are three facilities in Phase I, namely "Nature Garden", "Noah's Ark" and "Solar Tower". The refurbishment of the Ma Wan Old Village falls under the Phase II development. The "Nature Garden" is an ecological park with different themes, such as nature, education, art and love. The "Noah's Ark", a multiplex centre constructed in the exact size of the original vessel as described in the *Bible*, is equipped with such facilities as multi-purpose hall, exhibition venues, activity centres, function rooms and guesthouses. The "Solar Tower" is an education centre where exhibitions on the history of Chinese astronomy, solar energy and related information are held and where solar telescopes are available for visitors to view the solar system.

Since the MWP development had been revised from a theme of active recreational facilities to a park with a theme based on nature, amendments to the MLP concerned had to be made, and submissions to the TPB and the government departments concerned for approval were required. Given the changes in the development plan, a revised road scheme has to be put in place. This being the case, the completion date of Phase I was extended from June 2006 to end-December 2008 as approved by the Government. The "Nature Garden" has been opened to the public free of charge since 1 July 2007 and the "Noah's Ark" is anticipated to be completed before the end of 2008. The "Solar Tower" project, which will depend on the progress of a revised road scheme, is expected to be completed within two years following the authorization of the revised road

scheme. Regarding the developer's responsibility for deferring the completion of the project, the Government will take follow-up actions in accordance with the terms and conditions of the HoA, including those mentioned above.

- (c) The construction of the roads for the development of Ma Wan (including the MWP) was authorized under the Roads (Works, Use and Compensation) Ordinance (the Ordinance) in 1996. The roads proposed in the MLPs in 2003 and 2006 are different from those authorized under the Ordinance in 1996. Therefore, a revised road scheme has to be re-gazetted and authorized before the proposed roads could be built. The revisions made to the road scheme mainly involve changing a section of a vehicular and pedestrian access surrounding the periphery of the park from north to south to an emergency vehicular access leading to the "Solar Tower" and the existing Old Village (that is, Phase II). With such revisions, the number of trees to be cut and the area of private land to be acquired will be reduced, which is in the public interest and meets the community's aspiration for conservation. In July and September 2006, we consulted the Tsuen Wan District Council on the relevant arrangement and no objection was raised.

- (d), (e) and (f)

The Phase I site of the MWP is situated on Government land and has been granted, on a short-term tenancy, to the developer for the commencement of works and the operation of the completed "Nature Garden", which has already been opened to the public. The Government is considering the details of the land grant of the Phase I development. As regards matters concerning the management of the MWP, the Government is having detailed negotiations with the developer in accordance with the relevant terms and conditions of the HoA with due regard to the recent public's concern about public facilities to be provided in private developments. The details of the negotiations include, *inter alia*, monitoring the operation of the MWP and the detailed financial arrangements, and how to allow the local people to participate in the management of the future MWP. The Government will implement the relevant arrangements by way of HoA as soon as possible.

Exemptions and Exclusions Under Proposed Competition Law

11. **MR FRED LI** (in Chinese): *President, recently, the Government is consulting the public again on the competition law. One of the proposals in the Consultation Paper is that the competition law should not apply to the Government or statutory bodies. Moreover, private sector undertakings' activities that are essential to fulfilling their obligation to provide essential public services should be excluded from the application of the competition law in so far as the prohibition in the law will obstruct the performance of the obligation. In this connection, will the Government inform this Council:*

- (a) *of the definitions of the above statutory bodies and public services, and the respective lists of organizations which belong to these two categories; if the definition of statutory bodies includes business organizations (such as banks, and so on) established in accordance with Hong Kong legislation, whether the competition law will not apply to such organizations; and*
- (b) *given that quite a number of public service organizations (for examples, bus companies and the two power companies, and so on) are subject to regulation by the relevant scheme of control agreements (SCAs) or licensing conditions, and such organizations, according to the above Consultation Paper, may also be exempted from regulation by the competition law, whether certain public service organizations (such as The Hong Kong and China Gas Company Limited) which are not subject to regulation by SCAs or licensing conditions will also be granted the same exemption?*

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

- (a) Under our proposed framework, the competition law would not apply to the Government or statutory bodies. The law also would not apply to business organizations entrusted with the operation of "essential public services of an economic nature" where the application of the law would hinder the organization's ability to perform such services.

We are discussing with the Department of Justice how best to define statutory bodies in the new law, as such we currently do not have a list of these statutory bodies. Taking Singapore's approach as an example, we note that the Singapore competition law defines a statutory body as a body corporate established by or under any written law. In any event, we have no intention to include business organizations (such as banks, and so on) within the definition of statutory bodies.

As to what constitute "essential public services of an economic nature", in overseas jurisdictions this is decided by the regulator on a case-by-case basis. We have mentioned briefly in paragraphs 10 and 11 in Chapter VII of the consultation document the general criteria adopted overseas. Generally speaking, the services in question should be provided in all cases and must be widely available. In other jurisdictions these are typically services provided in "big network" industries such as public transport, water supply, power supply and postal services.

We propose that Hong Kong adopt the same approach, and that the Competition Commission should decide on a case-by-case basis whether an undertaking should be excluded on the grounds that it is entrusted with the operation of "essential public services of an economic nature". The Government currently does not have a list of business organizations that provide such services. If necessary, the Commission could issue guidelines to explain in detail its considerations when making a decision. The Commission would consult stakeholders before issuing guidelines.

- (b) As mentioned above, the competition law would not apply to business organizations entrusted with the operation of "essential public services of an economic nature" where the application of the law would hinder the organization's ability to perform such services. This would be regardless of whether the organization is regulated by a SCA or by licence. Nonetheless, the organization would only be excluded when providing the relevant services. It would still be regulated under the competition law if it engaged in anti-competitive conduct in other areas of activity.

Information on Trees

12. **MR ALBERT CHAN** (in Chinese): *President, I have learnt that the Government is currently conducting a territory-wide registration exercise for trees in Hong Kong. In this connection, will the Government provide information on the existing trees in Hong Kong according to the following table?*

<i>Age of tree (years)</i>	<i>Tree species</i>	<i>Local species or not</i>	<i>Quantity</i>	<i>Distribution</i>
<i>20 or below</i>				
<i>21 to 30</i>				
<i>31 to 40</i>				
<i>41 to 50</i>				
<i>51 to 60</i>				
<i>above 60</i>				

SECRETARY FOR DEVELOPMENT (in Chinese): President, given that woodland in Hong Kong covers an area of over 200 sq km and trees are widely distributed in various districts, Government has no plan nor resources to register all trees in Hong Kong. Nor there is a need to do so. However, to provide better protection to trees with special value, we have established a Register of Old and Valuable Trees to record trees fulfilling the following criteria:

- Large size (diameter at breast height of 1 000 mm or over/height at 25 m or over/spread of 25 m or over in diameter);
- Precious or rare species;
- Age over 100 years;
- Cultural, historical or memorable significance; or
- Outstanding form.

The Register has been uploaded to the website of the Leisure and Cultural Services Department (address: <www.lcsd.gov.hk>) for public inspection. At present, there are 525 trees on the Register, of which 352 belong to local species, such as Chinese banyan, big-leaved fig and camphor tree. Distribution of these trees in various districts is set out as follows:

<i>District</i>	<i>No. of Local Species</i>	<i>No. of Exotic Species</i>
Central and Western	81	47
Wan Chai	13	13
Eastern	24	15
Southern	17	22
Sham Shui Po	9	8
Yau Tsim Mong	94	17
Kowloon City	11	2
Wong Tai Sin	8	2
Kwun Tong	1	3
Islands	4	1
Tuen Mun	3	2
Yuen Long	3	5
Kwai Tsing	7	3
Tsuen Wan	2	4
North	40	19
Tai Po	18	3
Sha Tin	12	6
Sai Kung	5	1
Total	352	173

For the trees in the above table, 11 trees are estimated to age over 100 years basing on available documents. Age records for the other trees are not available.

Meals Provided in Residential Care Homes for Elderly

13. **MISS CHOY SO-YUK** (in Chinese): *President, it has been reported that some concern groups on elderly rights alleged that recently, the majority of residential care homes for the elderly (RCHEs) bought discarded pork from meat stalls to make dishes for their residents in order to cut expenses, and that such RCHEs even reduced the quantity of food per meal provided to their residents. In this connection, will the Government inform this Council:*

- (a) *of the number of complaints received by the Government in the past three years about the quality of the food provided by RCHEs to their residents and among such complaints, the number of substantiated cases, and the penalties imposed on the RCHEs concerned;*

- (b) *whether the guidelines formulated by the Government on the quality of the food provided by RCHEs also set out the recommended quantity of food per meal;*
- (c) *whether it will consider including the quantity and quality of food provided by RCHEs in the licensing conditions for RCHEs; if it will, of the details; if not, the reasons for that; and*
- (d) *given that the allegation of the above concern groups involves the health of the elderly, whether the authorities will consider taking the initiative to conduct an investigation into the situation to address public concern; if they will, of the details; if not, the reasons for that?*

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

- (a) In the past three years, the Social Welfare Department received a total of 152 complaints against RCHEs relating to nutrition and diet. These included complaints against RCHEs for failing to provide food according to pre-set menus, inappropriate meal time, unsatisfactory food quality, and so on. A total of 16 complaints relating to food quality were found substantiated after investigation. Advice or warning letters were subsequently issued by the Licensing Office of Residential Care Homes for the Elderly (LORCHE) to the concerned RCHEs for rectification and improvement. Inspectors of LORCHE subsequently conducted further inspections to concerned RCHEs and confirmed that appropriate rectification and improvement actions had been taken.
- (b) In the Code of Practice for Residential Care Homes (Elderly Persons) (the Code) issued by LORCHE to all RCHE operators, there is a chapter on "Nutrition and Diet", setting out detailed guidelines on food provision, including the design of menu, choice of food, preparation and serving of food, meal time, nutrition, and so on. Professional views from dietitians and medical staff of the

Department of Health and the Hospital Authority as well as representatives from the service sector were sought in compiling the relevant chapter. Because the quantity of food required by each elderly resident may vary according to his/her body conditions, medical needs, personal preference and other factors, the Code has not set out the recommended quantity of food per meal. Nonetheless, the Code stipulates that RCHEs should provide appropriate, hygienic and balanced diet according to the needs of elderly residents and should continuously monitor their nutritional status, including their body weight, level of food intake, and so on, and to seek medical advice if necessary.

- (c) At present, LORCHE processes licence applications in accordance with the licensing requirements laid down in the Residential Care Homes (Elderly Persons) Ordinance (the Ordinance), its subsidiary legislation and the Code on four major aspects: fire safety, building safety, health and care services, and management. Licence will be issued to an RCHE only when it is in full compliance with the aforesaid requirements. As pointed out above, since the needs of individual elderly resident may vary, it is not feasible to include the quantity of food provided by RCHEs as one of the licensing requirements. Nonetheless, the Code has already required RCHEs to provide appropriate, hygienic and balanced diet. LORCHE will, according to the situation, issue advice or warning to the RCHE concerned, and direct the RCHE to make rectification and improvement if any non-compliance with the requirements on food provision in the Code is found. By virtue of sections 19 and 20 of the Ordinance, if RCHEs fail to comply with the directions for rectification and improvement, the Director of Social Welfare may direct that the premises concerned shall cease to be used as a residential care home.
- (d) At present, inspectors of LORCHE conduct random inspections to RCHEs from time to time to examine the food provision in RCHEs. In view of recent public concern over food provision in RCHEs, LORCHE has, where possible, arranged inspectors to conduct inspections during meal time. Inspectors will also remind RCHEs to strictly comply with the requirements on food provision in the Code. Apart from checking the menu, observing food preparation,

examining the quantity and quality of food provided to residents, the inspectors will also collect feedback from residents so as to have a comprehensive assessment on the food provision in RCHEs. Advice or warning letters will be issued to those RCHEs which fail to comply with the requirements in the Code. Moreover, with strengthened manpower since 2007-2008, LORCHE has further stepped up the frequency of inspection to RCHEs. Inspections have been extended to non-office hours, Sundays and public holidays with a view to ensuring the service quality of RCHEs.

Evaluation of Government-funded Training Programmes

14. **DR DAVID LI:** *President, in reply to my question at the Legislative Council meeting of 19 December 2007, the Government advised that no separate statistics were available on the enrolment of new arrivals from the Mainland in government-funded training programmes other than those provided under the Employees Retraining Scheme. Furthermore, no separate assessment had been made on the effectiveness of these programmes on the basis of the duration of residence of the trainees. In this connection, will the Government inform this Council what procedures are in place to evaluate the effectiveness of government-funded training programmes, when such procedures were last reviewed, and whether it will consider adding new evaluation criteria in order to better monitor the effectiveness of such programmes in assisting trainees (such as those who are new arrivals from the Mainland) in securing stable employment?*

SECRETARY FOR LABOUR AND WELFARE: President, with a view to enhancing the employability and competitiveness of the local workforce, the Government organizes and funds a number of training programmes to meet the training needs of local residents with different backgrounds and qualifications. They include the training programmes organized by the Labour Department (LD); training and retraining courses offered by the Employees Retraining Board (ERB); courses run by the Vocational Training Council (VTC) and those organized under the Skills Upgrading Scheme. Reviews and evaluations are conducted from time to time and new evaluation criteria are added, where appropriate, to monitor the effectiveness of these programmes in meeting their respective objectives. Details of the mechanism for evaluating the programmes are set out at Annex.

Annex

Evaluation of Training Programmes funded by the Government

	<i>Types of government-funded training programmes</i>	<i>Procedures in place to evaluate the effectiveness</i>	<i>When such procedures were last reviewed</i>	<i>Whether consideration will be given to adding new evaluation criteria to better monitor the effectiveness of the programmes in assisting trainees in securing stable employment</i>	<i>Remarks</i>
(1)	Training programmes organized by the LD for different groups (for example, the middle-aged and youth)	The LD monitors closely the implementation of its employment and training programmes. Feedback is collected from service users and independent studies are commissioned to ascertain the effectiveness of the programmes as appropriate. Internal reviews are also undertaken periodically to identify areas for improvement.	The various measures to monitor the effectiveness of the employment and training programmes are reviewed from time to time.	The mechanism and procedures for evaluation are kept under regular review and further improvements would be made as necessary.	The effectiveness of the employment and training programmes has been repeatedly affirmed by relevant stakeholders and the outcome of independent studies.
(2)	Training and retraining courses offered by the ERB	The ERB uses different performance indicators to measure the effectiveness of its courses. They include capacity utilization rate, attendance rate, satisfaction rate of trainees, placement rate (whether trainees can secure employment after the training), and retention rate (whether trainees can sustain their employment).	The ERB commissioned a consultancy study to review the monitoring mechanism in 1998. The key performance indicators identified were adopted in measuring the effectiveness of retraining courses and served as key criteria for approval of classes for individual training bodies with effect from 2000-2001.	Following the strategic review conducted in 2007-2008, the ERB is in the process of reviewing the arrangements for placement support with a view to strengthening placement services to sustain trainees' employment.	Overall speaking, all the training bodies of the ERB have been performing satisfactorily in all key performance indicators and meeting the ERB's requirements.

	<i>Types of government-funded training programmes</i>	<i>Procedures in place to evaluate the effectiveness</i>	<i>When such procedures were last reviewed</i>	<i>Whether consideration will be given to adding new evaluation criteria to better monitor the effectiveness of the programmes in assisting trainees in securing stable employment</i>	<i>Remarks</i>
(3)	Training programmes/ courses run by the VTC	The VTC has developed a comprehensive quality assurance system covering programme planning, curriculum design, delivery, assessment and evaluation to ensure the quality of its training programmes/courses. A number of performance indicators are also used to measure and evaluate the effectiveness of the programmes, including enrolment rate, completion rate, trainees' satisfaction level, employers' satisfaction level, and so on. The VTC will take into account the feedback received and make improvements where necessary.	The procedures were recently reviewed in April 2008. No changes were considered necessary.	A comprehensive evaluation mechanism is already in place, and the VTC will keep under periodic review the need for further improvements.	Training programmes/ courses run by the VTC have been well received by trainees and employers, and have generally met the respective target performance indicators.
(4)	Training courses organized under the Skills Upgrading Scheme	Periodic reviews of the courses offered under the Scheme are conducted by the respective Industry Working Groups. An independent consultant has also been engaged to evaluate the overall effectiveness of the Scheme on the basis of a number of key performance indicators, such as usefulness of the skills acquired through training, improvement of job performance and work attitude, as well as change in attitude towards lifelong learning, as viewed from both the employers' and employees' perspectives.	The procedures were recently reviewed in November 2007. No changes were considered necessary.	Not applicable. The Scheme aims to provide skills training for in-service workers to enhance their vocational knowledge and skills.	So far the review results have been satisfactory, and employees and employers are generally content with the courses offered under the Scheme.

Designation of a Sitting-out Area Adjacent to an LPG Store as a Smoking Area

15. **MR LI KWOK-YING** (in Chinese): *President, I have recently received complaints from members of the public that next to Tai Po Centre, a sitting-out area which is adjacent to a liquefied petroleum gas (LPG) store has been designated as a smoking area. This may endanger the lives of the residents nearby. In this connection, will the Government inform this Council whether:*

- (a) *it has received complaints from members of the public concerning the aforesaid smoking area since the commencement of the relevant provisions of the Smoking (Public Health) (Amendment) Ordinance 2006 on 1 January 2007; if so, of the follow-up actions taken;*
- (b) *it has assessed if smoking by members of the public in that area has safety implications; if it has, of the assessment results; if it has not, the reasons for that;*
- (c) *it will consider designating the sitting-out area as a no smoking area; and*
- (d) *it has compiled statistics on the current number of public pleasure grounds throughout the territory which are adjacent to LPG stores and allow smoking; if so, of the details?*

SECRETARY FOR HOME AFFAIRS (in Chinese): President,

(a) to (c)

The Leisure and Cultural Services Department (LCSD), after consultation with the Tai Po District Council, has designated On Pong Road Sitting-out Area in Tai Po as a smoking venue in the district with effect from 1 January 2007. The LCSD has received some complaints against the designation of that smoking venue from some residents of the nearby housing estates raising concern over the safety implication associated with the adjacent LPG storage facility. The LCSD has obtained advice from the Electrical and Mechanical Services Department (EMSD) that the design of the

LPG storage facility meets the standards specified in the Gas Safety Ordinance. As the LPG tanks are installed in underground vessel chambers, the designation of On Pong Road Sitting-out Area as a smoking venue will not impair the safety of the storage facility. Moreover, taking into consideration the frequent use of the smoking venue by smokers in the area including residents in the neighbourhood and workers from nearby shopping centres and restaurants, the LCSD has come to the view that there is a need to keep the sitting-out area as a smoking venue. The LCSD has explained in detail to the complainants the rationale for such an arrangement and relayed the professional advice from the EMSD on the safety of LPG storage facility to ease their worries.

- (d) Apart from On Pong Road Sitting-out Area in Tai Po, the smoking area in Kwong Fuk Park in Tai Po is the only other smoking area in the leisure venues under the management of the LCSD that is located adjacent to an LPG storage facility. The EMSD has also indicated that the design of that LPG storage facility meets the standards specified in the Gas Safety Ordinance. As the LPG tanks are installed in underground vessel chambers, the designation of that smoking area will not impair the safety of the LPG storage facility.

Foster Care Service

16. **MR LEUNG YIU-CHUNG** (in Chinese): *President, will the Government inform this Council:*

- (a) *of the numbers of families providing foster care service and children receiving such service at present;*
- (b) *whether the Social Welfare Department (SWD) had, in the past six years, increased the allowance for foster families; if it had, of the rate of each increase; if not, the reasons for that and whether the amount of the allowance will be increased in view of the fact that it has not been increased for six years; and*
- (c) *as some foster families have told me that the current amount of allowance is inadequate to cover the actual expenses on caring for*

the children concerned, resulting in some foster children being deprived of a normal and healthy life, whether it will re-examine if the amount of the allowance should be increased?

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

- (a) According to SWD statistics, as at 4 June 2008 there were 959 registered foster families and 927 children receiving foster care service.
- (b) Foster families currently receive a foster care allowance of \$4,411 per foster child per month. It covers the child's maintenance and incentive for the foster family. There is also a one-off setting-up grant of \$1,451 for each child newly placed in a foster home for the procurement of necessities.

SWD reviews the foster care allowance and setting-up grant annually and, if necessary, will adjust them according to the "Government-wide Price Adjustment Factor". The levels of the above allowance and grant and their increases in the past six years (including the current year) are as follows:

	<i>Financial Year</i>		
	<i>2002-2007</i> ³	<i>2007-2008</i>	<i>2008-2009</i>
Foster Care Allowance ¹ , including -	\$4,294	\$4,350 (+1.30%) ⁴	\$4,411 (+1.40%)
(a) Maintenance	\$2,864	\$2,901 (+1.29%)	\$2,942 (+1.41%)
(b) Incentive payment for the foster family	\$1,430	\$1,449 (+1.33%)	\$1,469 (+1.38%)
Setting-up Grant ²	\$1,413	\$1,431 (+1.27%)	\$1,451 (+1.40%)

¹ Monthly allowance.

² One-off grant for each child newly placed in a foster home.

³ In the four financial years from 2002-2007, the Director of Social Welfare had exercised his discretion not to adjust these allowances to take account of deflation. The foster care allowance was therefore frozen at the 2002-2003 level.

⁴ Year-on-year comparison.

- (c) The SWD will continue to monitor the delivery of foster care services. If necessary and subject to the availability of additional resources, the SWD will adjust the level of foster care allowance and setting-up grant.

Organ Donation

17. **MR ALBERT HO** (in Chinese): *President, it has been reported that a Hong Kong resident suffering from acute liver failure and in urgent need of a liver transplant operation was recently admitted to hospital, but as there were insufficient cadaveric livers and his family members in Hong Kong were unsuitable for donating live liver, arrangement was made for a close relative on the Mainland, who was suitable for donating liver, to come to Hong Kong to do so to cure him. However, his close relative, being a non-eligible person (NEP), had to pay the public hospital concerned a big deposit as well as very expensive fee for staying at the intensive care unit for the liver transplant operation. In this connection, will the Government inform this Council of:*

- (a) *the authorities' justifications for requiring that non-Hong Kong residents who donate human organs in Hong Kong to cure Hong Kong residents have to pay the medical fees concerned at the levels NEPs are charged, and whether the Hospital Authority (HA) has any mechanism for assessing and waiving the fees payable by NEPs for using public medical services;*
- (b) *the respective numbers of patients in Hong Kong who died last year because they were unable to obtain donated livers and kidneys for transplant operations; the current numbers of patients in Hong Kong who are waiting to receive a transplant of liver and kidney respectively; and whether the authorities know if the number of local cases of organ donation from deceased persons is lower than that in other places; and*
- (c) *the up-to-date total number of members of the public who have indicated consent to donate their organs, and among them, the number of those who indicated their consent last year, and whether*

the Centralized Organ Donation Register, which the Department of Health (DH) has planned to launch in the second quarter of 2008, has come into operation?

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

- (a) Under the current fee-charging system of the HA, all users of public hospital services are required to pay a prescribed amount of fee for the services they have used. While Hong Kong residents should pay the fee applicable to eligible persons, people other than Hong Kong residents are required to pay the fee applicable to NEPs. The HA has put in place a medical fee waiver mechanism to provide assistance for patients in financial difficulties. As for NEPs, the HA will provide discretionary assistance for them under exceptional circumstances. According to the records maintained by the HA on past cases of organ donation, there were cases in which non-Hong Kong residents who donated human organs in Hong Kong were granted a waiver of the medical fee arising from the organ donation. The HA will consider putting in place appropriate arrangements in future for living organ donors (whether they are Hong Kong residents or non-Hong Kong residents) to be granted a waiver of the medical fee arising from the organ donation.
- (b) In 2007, there were 31 liver disease patients in Hong Kong who died while waiting for liver transplantation. As for kidney disease patients, as their health conditions could be improved by peritoneal dialysis or haemodialysis, the HA does not maintain statistical data on the number of patients who have died as a result of failing to obtain kidneys for transplantation. As at 31 December 2007, 126 and 1 489 patients in Hong Kong were on the waiting lists of liver and kidney transplantation respectively.

In the past three years, the numbers of livers and kidneys donated by deceased persons in the HA are as follows (cases of organ donation by living persons are not included):

	<i>Number of livers</i>	<i>Number of kidneys</i>
2005	24	50
2006	23	53
2007	26	58

According to the statistics of the International Registry of Organ Donation and Transplantation, the rates of organ donation (excluding the donation of non-organ tissue) by deceased persons (per 1 million population) of Hong Kong and some other places in 2007 are as follows:

Hong Kong	4.7 persons
Japan	0.1 person
Malaysia	0.9 person (2006)
Republic of Korea	2.97 persons
Singapore	5.9 persons (2005)
Australia	9 persons
United Kingdom	13.2 persons
United States	26.6 persons

- (c) At present, the Government does not have up-to-date statistics on the number of people who have indicated consent to donate their organs. There are currently about 44 000 registered donors in the organ donation register of the Hong Kong Medical Association.

The DH is now setting up and implementing the Centralised Organ Donation Register (CODR) to make it more convenient for prospective donors to voluntarily register their wish to donate organs after death, and for such wish to be systematically kept and expediently retrieved by authorized persons such as the Organ Transplant Coordinators of HA to facilitate arrangement of possible organ donation. The system development of CODR was completed in January 2008 and the DH is carrying out an assessment on the privacy implications. Upon completion of this assessment, CODR will be in operation in the second half of 2008 for members of the public to register online and through other channels. The DH will also run publicity programmes to promote organ donation in tandem with the launch of CODR.

Studies on Public Participation in Physical Activities

18. **MR FREDERICK FUNG** (in Chinese): *President, it has been learnt that the Leisure and Cultural Services Department (LCSD) is conducting a detailed survey on the participation patterns of Hong Kong people in physical activities, and the survey is to be conducted in two phases in May and September this year in the form of face-to-face household interviews. The survey also includes a Government-commissioned study conducted by a university in Hong Kong on patterns of and data on participation in sports by people overseas, which has been completed earlier. In this connection, will the Government inform this Council of:*

- (a) *the purpose, scope and other details of the entire survey mentioned above; the preliminary results of the study on patterns of participation in sports by people overseas, and when the entire survey is expected to be completed as well as when the results are expected to be announced; and*
- (b) *the timetable for taking corresponding actions (including formulating future objectives and strategies for promoting sports, as well as introducing specific measures to encourage more members of the public to participate in sports and promote a culture of passion for sports in the community, and so on) in the light of the results of the above survey?*

SECRETARY FOR HOME AFFAIRS (in Chinese): President,

- (a) and (b)

The LCSD is committed to providing diversified community sport services for the public and encouraging their active participation in sporting activities across the all sectors of the community to promote the culture of Sport for All. The LCSD has commissioned a study on Participation Patterns of Hong Kong People in Physical Activities last year to collect data on public participation in physical activities in the community to gauge the level of their participation

in order to measure the effectiveness of the efforts being put into promoting Sport for All.

The study comprises two phases: a consultancy study and a questionnaire survey. The consultancy study was completed in January this year. Relevant documents collected from 11 countries/regions including Australia, Canada, the United Kingdom, the United States, the European Union, China, Japan, South Korea, Singapore, Taiwan and Hong Kong were studied to provide reference for establishing the definition of Sport for All and a set of indicators for measuring the effectiveness of the efforts being put into promoting Sport for All.

According to the findings of the first phase of the consultancy study, most of the countries/regions studied recognize the importance of physical activities to the community as well as individuals, and put efforts into encouraging the public to actively participate in physical activities for health maintenance and improvement. They all recognize that the promotion of Sport for All requires the concerted efforts of the whole society involving government authorities and non-governmental organizations such as schools, national sports associations and local organizations, and that people from different social strata, regardless of gender, age, class, ability and social status, should have equal opportunity to participate in physical activities. Most of the countries/regions share the view that regular participation in physical activities is beneficial to health. The threshold for health attainment is at least 30 minutes of physical activities of moderate intensity for three times a week.

The questionnaire survey is scheduled to be conducted in two phases in May and September this year. About 4 000 domestic households are selected for face-to-face interviews by random sampling.

At the last stage, the consultant will compile a report by consolidating the data collected from the consultancy study and the survey, and propose feasible options for the participation patterns of

Hong Kong people in physical activities and the direction of future development of community sports. The whole study is expected to be completed by the end of this year. In the light of the feasible options proposed in the consultancy report, the LCSD will put forward recommendations on the setting of objectives and strategies for further promotion of community sports for discussion by the Sports Commission and the Community Sports Committee.

Accidents in Public Places in Public Housing Estates

19. **MR LAU KONG-WAH** (in Chinese): *President, will the Government inform this Council of:*

- (a) *the number of accidents in the past two years which occurred in the public places of public housing estates (PHEs), involved estate facilities and resulted in casualties, together with a breakdown by the facilities involved in these accidents, as well as the improvement measures adopted by the authorities; and*
- (b) *among the accidents mentioned above, the number of those attributable to the fences along the corridors on each floor of PHE blocks being too low, and the names of the PHEs involved; whether the authorities will consider increasing the height of the fences to better safeguard the safety of residents?*

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

- (a) According to the Housing Department's (HD) records of the past two years, there were 79 accidents which occurred in the public places of public rental housing (PRH) estates involving estate facilities and resulting in casualties. The facilities involved in the accidents are mainly lifts (23 cases), escalators (18 cases) and gates and doors (16 cases).

After the accidents, the HD would, as necessary, adopt a series of follow-up measures, taking into account the nature and seriousness of the cases, which include :

- (i) Conducting site inspections and consulting tenants' representatives, Estate Management Advisory Committees (EMAC) and insurance companies, so as to explore appropriate improvement measures, such as enhancing the lighting facilities in corridors, passages, staircases and open spaces, reducing the gradient of sloping surface, installing anti-skid devices on the ground, installing handrails or replacing floor tiles, and so on;
 - (ii) Before the completion of the improvement measures, the HD would remind its estate management personnel to pay additional attention to spots of accidents during patrols to prevent recurrence; and
 - (iii) Putting up posters and notices at lift lobbies and conspicuous spots in PRH estates, publicising through estate newsletter and publicity videos on the Housing Channel to raise the safety awareness of tenants and visitors, in avoiding accidents.
- (b) According to the records, there were no accidents recorded by the HD relating to the railings along the corridors on each floor of PRH blocks in the past two years.

As stipulated in the internal guidelines on design of the Housing Authority (HA), the height of railings in PRH estates should be no less than 1 100 mm. All HA's PRH estates have complied with the design standard concerned. The HD will inspect and conduct maintenance of these facilities regularly.

If residents make requests for increasing the height of the railings, the HD will consider factors such as safety and whether the proposed railings will affect the ventilation and view of the blocks concerned. Besides, the HD will consult the EMAC concerned so as to make arrangements as appropriate.

Hospital Beds

20. **MR BERNARD CHAN** (in Chinese): *President, after the release of the Consultation Document on Healthcare Reform by the Government, there is a rising public concern about the development of public and private hospitals in the future. In this connection, will the Government inform this Council whether it knows:*

- (a) *the latest statistics on the numbers and occupancy rates of beds in public and private hospitals, and such statistics in respect of each of the public and private hospitals; and*
- (b) *the respective numbers of additional beds to be provided in public and private hospitals in the coming three years, and whether the Government has assessed if these additional beds are sufficient to meet the demand of the public and resolve the problem of shortage of hospital beds; if it has, of the outcome of assessment?*

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

- (a) As at 31 March 2008, there were 27 555 in-patient beds provided by the Hospital Authority (HA). According to the information furnished by private hospitals, there were 3 596 beds provided by the private sector as at 5 June 2008. The number of beds and occupancy rate of public and private hospitals are set out at Annexes 1 and 2 respectively.
- (b) As regards public health care services, to meet public's demand, the HA takes into account a number of factors, including population growth and changes in demographic profile, service delivery model and utilization, advancement of medical technology and launching of new services, in planning the provision of services and the number of beds. On the basis of these factors, the HA has decided to provide 34 additional general beds in Pok Oi Hospital in 2008-2009, and to provide about 300 additional general beds in Tuen Mun Hospital and Pok Oi Hospital in the next three years according to service demand. In the meantime, the HA has also proceeded with the planning for expansion of the Tseung Kwan O Hospital and construction of a hospital in North Lantau and Tin Shui Wai. It is anticipated that these projects will provide additional

beds for Kowloon East, New Territories West and North Lantau to meet the increasing service demand in these districts.

Besides, the HA will make continuous efforts to enhance the efficiency of its in-patient services and strengthen its ambulatory health care services through the use of advanced medical technology and in the light of the prevailing epidemiological trend. The HA will also provide appropriate services to cope with the shift of service mode for treatment of chronic diseases and mental illness, and so on, with a view to reducing the length of stay of patients and demand for in-patient beds.

Separately, according to the information provided by private hospitals on their existing development projects, it is anticipated that the number of beds in private hospitals will increase by about 320 to about 3 900 in the next three years.

Annex 1

Number of Beds and Occupancy Rate in Public Hospitals

<i>Hospital Cluster</i>	<i>Hospital</i>	<i>Number of Beds (As at 31 March 2008)</i>	<i>Occupancy Rate (2007-2008)</i>
Hong Kong East Cluster	The Cheshire Home, Chung Hom Kok	240	91%
	Pamela Youde Nethersole Eastern Hospital	1 507	82%
	Ruttonjee Hospital and Tang Shiu Kin Hospital	687	84%
	St. John Hospital	93	70%
	Tung Wah Hospital	282	86%
	Wong Chuk Hang Hospital	160	94%
Sub-total of Hong Kong East Cluster		2 969	84%
Hong Kong West Cluster	The Duchess of Kent Children's Hospital at Sandy Bay	130	49%
	Tung Wah Group of Hospitals Fung Yiu King Hospital	276	82%
	Grantham Hospital	491	70%
	MacLehose Medical Rehabilitation Centre	110	62%
	Queen Mary Hospital	1 592	74%
	Tung Wah Eastern Hospital	564	81%
	Tsan Yuk Hospital	4	Not Applicable*
Sub-total of Hong Kong West Cluster		3 167	74%

<i>Hospital Cluster</i>	<i>Hospital</i>	<i>Number of Beds (As at 31 March 2008)</i>	<i>Occupancy Rate (2007-2008)</i>
Kowloon	Hong Kong Buddhist Hospital	324	88%
Central	Hong Kong Eye Hospital	45	68%
Cluster	Kowloon Hospital	1 355	86%
	Queen Elizabeth Hospital	1 841	86%
Sub-total of Kowloon Central Cluster		3 565	86%
Kowloon	Haven of Hope Hospital	425	91%
East	Tseung Kwan O Hospital	425	79%
Cluster	United Christian Hospital	1 385	81%
Sub-total of Kowloon East Cluster		2 235	83%
Kowloon	Caritas Medical Centre	1 203	81%
West	Kwai Chung Hospital	1 195	63%
	Kwong Wah Hospital	1 213	73%
Cluster	Our Lady of Maryknoll Hospital	236	76%
	Princess Margaret Hospital	1 761	90%
	Tung Wah Group of Hospitals Wong Tai Sin Hospital	551	94%
	Yan Chai Hospital	800	85%
Sub-total of Kowloon West Cluster		6 959	79%
New	Alice Ho Miu Ling Nethersole Hospital	641	84%
Territories	Bradbury Hospice	28	83%
East	North District Hospital	607	85%
	Prince of Wales Hospital	1 422	87%
Cluster	Cheshire Home, Shatin	296	78%
	Shatin Hospital	650	85%
	Tai Po Hospital	972	81%
Sub-total of New Territories East Cluster		4 616	84%
New	Castle Peak Hospital	1 537	81%
Territories	Pok Oi Hospital	335	89%
West	Siu Lam Hospital	350	98%
	Tuen Mun Hospital	1 822	90%
Cluster			
Sub-total of New Territories West Cluster		4 044	88%
Total of HA		27 555	82%

* Remark:

The four beds at Tsan Yuk Hospital are day beds. The occupancy rate is not applicable to these beds.

Number of Beds and Occupancy Rate in Private Hospitals*

<i>Hospital</i>	<i>Number of Beds (As at 5 June 2008)</i>	<i>Latest Occupancy Rate</i>
Canossa Hospital (Caritas)	177	62%
Evangel Hospital	63	80%
Hong Kong Adventist Hospital	132	55%
Hong Kong Baptist Hospital	801	70%
Hong Kong Central Hospital	70	52%
Hong Kong Sanatorium & Hospital	459	76%
Matilda & War Memorial Hospital	102	30%
Precious Blood Hospital (Caritas)	130	74%
Shatin International Medical Centre Union Hospital	344	87%
St. Paul's Hospital	351	83%
St. Teresa's Hospital	792	89%
Tsuen Wan Adventist Hospital	175	65%
Total	3 596	

* Remark:

The information contained in the table is furnished by the private hospitals. Different private hospital may calculate the latest occupancy rate based on different time points.

BILLS

First Reading of Bills

PRESIDENT (in Cantonese): Bills: First Reading.

SUPPLEMENTARY APPROPRIATION (2007-2008) BILL

CLERK (in Cantonese): Supplementary Appropriation (2007-2008) Bill.

Bill read the First time and ordered to be set down for Second Reading pursuant to Rule 53(3) of the Rules of Procedure.

Second Reading of Bills

PRESIDENT (in Cantonese): Bills: Second Reading.

SUPPLEMENTARY APPROPRIATION (2007-2008) BILL

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): Madam President, I move the Second Reading of the Supplementary Appropriation (2007-2008) Bill.

Section 9 of the Public Finance Ordinance provides, "If at the close of account for any financial year it is found that expenditure charged to any head is in excess of the sum appropriated for that head by an Appropriation Ordinance, the excess shall be included in a Supplementary Appropriation Bill which shall be introduced into the Legislative Council as soon as practicable after the close of the financial year to which the excess expenditure relates."

The account for the 2007-2008 financial year has come to a close. Despite the fact that the overall government expenditure was lower than the original estimate, the expenditure charged to 34 of all the 85 heads was in excess of the sum appropriated for the respective heads. The relevant increase in expenditure was mainly caused by the civil service pay adjustment in the year. The amount of supplementary provision for all the expenditure in excess has been approved by the Finance Committee or under the powers delegated by it.

The Supplementary Appropriation (2007-2008) Bill is hereby tabled before the Legislative Council to seek final legislative authority for the supplementary provision in respect of the 34 heads totalling about \$4.4 billion.

Thank you, Madam President.

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the Supplementary Appropriation (2007-2008) Bill be read the Second time.

In accordance with the Rules of Procedure, the debate is now adjourned and the Bill referred to the House Committee.

MOTIONS

PRESIDENT (in Cantonese): Motions. Proposed resolutions under the Interpretation and General Clauses Ordinance to amend five items of subsidiary legislation made under the Trade Descriptions Ordinance.

I will call upon the Secretary for Commerce and Economic Development to speak and move his motions one by one.

PRESIDENT (in Cantonese): First motion: Amending the Trade Descriptions (Provision of Information on Natural Fei Cui) Order.

PROPOSED RESOLUTION UNDER THE INTERPRETATION AND GENERAL CLAUSES ORDINANCE

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Cantonese): Madam President, I move to amend five regulations made under the Trade Descriptions Ordinance, namely the Trade Descriptions (Provision of Information on Natural Fei Cui) Order, the Trade Descriptions (Provision of Information on Diamond) Order, the Trade Descriptions (Provision of Information on Regulated Electronic Products) Order, the Trade Descriptions (Marking) (Gold and Gold Alloy) (Amendment) Order 2008 and the Trade Descriptions (Marking) (Platinum) (Amendment) Order 2008. The proposed amendments have been set out in the Agenda.

The five regulations were made by the Chief Executive in Council on 8 April 2008 under section 4 of the Trade Descriptions Ordinance. The objective is to strengthen consumer protection by requiring retailers to issue to purchasers an invoice or receipt containing specified information in relation to the sale of natural fei cui, diamond, gold, platinum and five types of electronic products; and requiring retailers of natural fei cui and diamond to display prominently at the point of supply a prescribed notice informing customers of the definitions of natural fei cui and diamond to prevent deceitful traders from making false trade descriptions or misstatements.

The regulations were introduced into this Council on 23 April 2008. Subsequently, a Subcommittee on subsidiary legislation was set up to scrutinize

the subsidiary legislation. The Subcommittee has now completed its work. I would like to thank Mr CHAN Kam-lam, Chairman of the Subcommittee, its members and the Legal Service Division of the Legislative Council Secretariat for their many constructive comments. We have accordingly made certain amendments to the above regulations. The amendments as set out in the resolutions have their support.

First of all, I move to amend the Trade Descriptions (Provision of Information on Natural Fei Cui) Order. According to the definition set out in the Order, an "article of natural fei cui" means any article inlaid with natural fei cui. To strengthen consumer protection and prevent deceptive representations by unscrupulous retailers, we propose to amend section 3(2)(d) by requiring retailers to describe an article inlaid with natural fei cui as well as other jade as "natural fei cui plus other jade", rather than "natural fei cui", in the invoice or receipt.

In addition, we also propose some technical amendments to certain provisions to improve the flow of the text and make it more understandable. The amendments have been set out in the Agenda.

With these remarks, I urge Members to support the proposed amendments. Thank you, Madam President.

The Secretary for Commerce and Economic Development moved the following motion:

"RESOLVED that the Trade Descriptions (Provision of Information on Natural Fei Cui) Order, published in the Gazette as Legal Notice No. 79 of 2008 and laid on the table of the Legislative Council on 23 April 2008, be amended –

- (a) by renumbering section 2 as section 2(1);
- (b) in section 2(1), in the definition of "natural fei cui", by repealing everything after "meaning of" and substituting "section 2 of the Trade Descriptions (Definition of Fei Cui and Natural Fei Cui) Regulation (L. N. 42 of 2008) which falls within the definition of "natural" or "天然" in section 3 of that Regulation when used to describe fei cui.";

- (c) in section 2(1), in the Chinese text, in paragraph (b) of the definition of "天然翡翠製品", by repealing "鑲嵌" and substituting "嵌有";
- (d) in section 2, by adding –
- "(2) An article on which an object is mounted is regarded for the purposes of this Order as an article inlaid with that object.";
- (e) in section 3(2)(d), by repealing everything after "describe the" and substituting –
- "article –
- (i) where the article is inlaid with both natural fei cui and other jade, as "natural fei cui plus other jade" or "天然翡翠和其他玉石"; or
- (ii) where the article is –
- (A) composed solely or principally of natural fei cui; or
- (B) inlaid with natural fei cui but with no other jade,
- as "natural fei cui" or "天然翡翠".";
- (f) in the Schedule, in the English version of the Notice, by repealing paragraph (a) and substituting –
- "(a) only jade that falls within the definition in the Trade Descriptions (Definition of Fei Cui and Natural Fei Cui) Regulation (Cap. 362 sub. leg.) can be described as "fei cui";";
- (g) in the Schedule, in the Chinese version of the Notice, by repealing paragraph (a) and substituting –

"(a) 只有符合《商品說明（翡翠及天然翡翠的定義）規例》（第362章，附屬法例）中的定義的玉石，方可被稱為"翡翠"；"

(h) in the Schedule, in paragraph (b) of the Chinese version of the Notice, by adding "任何" after "經過".

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the motion moved by the Secretary for Commerce and Economic Development be passed.

MR CHAN KAM-LAM (in Cantonese): President, although we are supposed to scrutinize the five items of legislative amendments one by one, I nonetheless wish to speak on these five items of legislative amendments in my capacity as Chairman of the Subcommittee.

I am speaking in my capacity as Chairman of the Subcommittee to Study Six Items of Subsidiary Legislation under the Trade Descriptions Ordinance Gazetted on 18 April 2008 (the Subcommittee). Although five items of subsidiary legislation are tabled for passage, there were in fact six items during the scrutiny process.

Members of the Subcommittee support the six items of subsidiary legislation to enhance protection for consumers in purchasing articles of natural fei cui, diamond, gold, gold alloy, platinum or platinum alloy as well as five types of regulated electronic products and to combat malpractices of dishonest retailers.

On the imposition of a requirement on retailers to issue to consumers an invoice or receipt containing specified particulars, the Subcommittee notes deputations' concern about difficulties for retailers in providing the technical information required. It also notes deputations' concern that the legal responsibilities to provide product descriptions to consumers would fall entirely on the retailers, rather than manufacturers or importers. The Administration explains that the information required is very basic, which should be readily available to retailers. Given that manufacturers or importers do not interact

with consumers direct, retailers have an obligation to provide consumers with essential sales information relating to the products. Members of the Subcommittee note that provisions of the Trade Descriptions Ordinance (TDO), unless specified otherwise, apply to all parties in their course of trade or business. In this connection, if a retailer supplies false or misleading information on the product to consumers relying on the information provided by manufacturers or importers, section 26 is available as a defence to the retailer.

Members of the Subcommittee are concerned that the subsidiary legislation fails to protect retailers when they are supplied with these articles in the course of their business. The Administration has stressed that misrepresentations by manufactures or wholesalers to retailers are governed by provisions of the TDO. The responsibilities of these parties to retailers are also set out in the contracts entered between them. As retailers will need to comply with the statutory requirements, there will be a knock-on effect on manufacturers or wholesalers to follow the same requirements.

Regarding the requirement that retailers shall display notices of the definition of natural fei cui, members of Subcommittee suggest that detailed descriptions of natural fei cui and non-natural fei cui, such as Type A fei cui (known in the market as natural fei cui), Type B and Type C fei cui, should be included in the notice. The Administration explains that retailers of "natural fei cui" are required to state in the notice that "fei cui" can be described as "natural" only if it has not been subjected to any treatment or process which altered its crystalline structure or original colour. The information would help customers to differentiate between articles of "natural fei cui" and "fei cui". The gemstone trade has reservation about using the term "non-natural fei cui" to describe fei cui which does not fall within the definition of "natural fei cui", fearing that this might carry negative implications on traders selling the articles and adversely affect their business. The Subcommittee notes that the Administration has consulted the gemstone trade and the Gemological Association of Hong Kong, and they are both supportive of the term used by the Administration. The Administration has taken on board members' suggestion and consulted academics and experts in the relevant field. The advice from academics and experts is consistent with that set out in the Definition of Fei Cui and Natural Fei Cui Regulation. For the more comprehensive protection of consumers, members of the Subcommittee suggest that retailers of fei cui should also be required to display the notice and issue invoice or receipt. The

Administration points out that the new requirements aim at combating deceitful acts of traders in passing off fei cui as natural fei cui. The suggestion of requiring all retailers of jade articles to display notice and issue invoice or receipt would affect the operation of small traders, in particular those running small stalls on the streets. In this regard, members of the Subcommittee share the trade's views, that the Administration should keep the regulatory regime under review and step up publicity on the new requirements. The Subcommittee also welcomes the trade's initiative to strengthen training for sales representatives to further enhance their professional knowledge of the terms concerned.

Regarding the requirement that retailers selling five types of electronic products must provide the prescribed information relating to the transaction, the Subcommittee notes that this may bring substantial work to retailers. To ease the compliance burden on retailers, the Subcommittee has requested the Administration to consider deputations' suggestion that retailers stating in the invoices or receipts that the functions and after-sale services for the electronic products are the same as provided in the warranty cards, product specifications and user manuals should be accepted as satisfying the legal requirement of providing detailed information. The Administration has reservation about this proposal, explaining that with the specified information provided in the invoices or receipts, consumers could read the information at the time of the transaction and raise enquiries to the retailers in a timely manner. The Subcommittee notes that there is no requirement in the relevant subsidiary legislation on how the prescribed information should be presented. Retailers can use either Chinese or English to list the information in the invoices or receipts. The information can be hand-written, computer-printed, or sealed in chop.

The Subcommittee is also concerned that small stalls selling second-hand regulated electronic products must also comply with the new requirements and issue invoices or receipts listing the prescribed information. Members are concerned that these small stalls usually sell low price products and the retailers concerned may not have the professional knowledge to provide the prescribed information. To address members' concern about compliance burden on retailers of small stalls, the Administration will move amendments to stipulate that the requirement of issuing invoices or receipts would only apply to retailers of regulated electronic products whose trade or business is conducted on premises included in the valuation list under section 14 of the Rating Ordinance (Cap. 116). The effect of this amendment is that retailers operating small stalls on the streets would be exempted from the requirement.

The Subcommittee supports the amendments proposed by the Administration, and it will not move any amendments to the relevant subsidiary legislation. I so submit, on behalf of the Subcommittee.

President, in the following part of my speech, I shall discuss the views of the Democratic Alliance for Betterment and Progress of Hong Kong on the six items of subsidiary legislation. Basically, we support these six items of subsidiary legislation. We are also of the view that the main objective of these six items of subsidiary legislation is to protect consumer rights on the one hand and to combat the deceptive practices of unscrupulous traders in the market on the other. We are aware that all these legislative amendments can help the tourism industry and provide greater protection to foreign visitors in purchasing expensive commodities.

Besides, we also hope that the Government can step up publicity among the trade, as consumer education is of very great importance. Apart from local consumers, large numbers of foreign visitors will also purchase articles of natural fei cui because of their great value. And, it must be added that Hong Kong is a very unique sales centre of such articles. We hope that the Government can do a good job in consumer education.

We understand that in the initial days after the commencement of the relevant subsidiary legislation, loopholes may emerge and some unscrupulous traders may still refuse to comply with the law and continue to deceive consumers. We hope that the Government can step up law-enforcement and conduct publicity among the trade, so as to ensure that all traders will comply with the relevant legislation. Thank you, President.

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

(No Members indicated a wish to speak)

PRESIDENT (in Cantonese): Secretary for Commerce and Economic Development, do you wish to reply?

(The Secretary for Commerce and Economic Development shook his head to indicate that he did not wish to reply)

PRESIDENT (in Cantonese): I now put the question to you and that is: That the motion moved by the Secretary for Commerce and Economic Development 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 of the Members present. I declare the motion passed.

PRESIDENT (in Cantonese): Second motion: Amending the Trade Descriptions (Provision of Information on Diamond) Order.

PROPOSED RESOLUTION UNDER THE INTERPRETATION AND GENERAL CLAUSES ORDINANCE

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Cantonese): Madam President, I move to amend the Trade Descriptions (Provision of Information on Diamond) Order.

I have just explained the proposed amendments to the Trade Descriptions (Provision of Information on Natural Fei Cui) Order. Similarly, an "article of diamond" may also mean an article which is inlaid with both diamond and other precious stone. In view of the same legislative intent, we propose to amend section 3(2)(d) to require retailers to describe an article inlaid with diamond as well as other precious stone as "being inlaid with both diamond and other precious stone" in the invoice or receipt to make it clear to consumers that the precious stones inlaid on the article are not solely diamond.

Lastly, we also propose to make a technical amendment to section 2 relating to the definition of "article of diamond" to better reflect the legislative intent.

I urge members to support the proposed amendments. Thank you, Madam President.

The Secretary for Commerce and Economic Development moved the following motion:

"RESOLVED that the Trade Descriptions (Provision of Information on Diamond) Order, published in the Gazette as Legal Notice No. 80 of 2008 and laid on the table of the Legislative Council on 23 April 2008, be amended –

- (a) by renumbering section 2 as section 2(1);
- (b) in section 2(1), in the definition of "article of diamond", by repealing paragraphs (a), (b) and (c) and substituting –

"(a) which is composed solely of diamond; or

(b) which is inlaid with diamond for the purpose of adornment;"

- (c) in section 2, by adding –

"(2) An article on which an object is mounted is regarded for the purposes of this Order as an article inlaid with that object.";

- (d) in section 3(2)(d), by repealing everything after "describe the" and substituting –

"article –

(i) as being composed solely of diamond;

(ii) where the article is inlaid with both diamond and other precious stone, as being inlaid with both diamond and other precious stone; or

(iii) where the article is inlaid with diamond but with no other precious stone, as being inlaid with diamond,

as may be appropriate; and". "

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the motion moved by the Secretary for Commerce and Economic Development 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 and that is: That the motion moved by the Secretary for Commerce and Economic Development 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 of the Members present. I declare the motion passed.

PRESIDENT (in Cantonese): Third motion: Amending the Trade Descriptions (Provision of Information on Regulated Electronic Products) Order.

PROPOSED RESOLUTION UNDER THE INTERPRETATION AND GENERAL CLAUSES ORDINANCE

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Cantonese): Madam President, I move to amend the Trade Descriptions (Provision of Information on Regulated Electronic Products) Order.

In section 2(1), we have specified that the five "regulated electronic products" are digital audio players, digital camcorders, digital cameras, mobile

phones and portable multimedia players. Since "regulated electronic products" are categorized according to their "principal function", we have set out in section 2(2) factors to determine the principal function of an electronic product, which include descriptions of the product on its package, documents relating to the supply of the product, or descriptions in any promotional materials or advertisement concerning the product.

We propose to amend section 2(2) by adding "any other relevant information" to give the Court more flexibility in considering other factors in determining the principal function of a product.

In addition, we recognize that itinerant stalls that sell second-hand electronic products may not be able to provide the specified information in the invoice or receipt as required by the new regulation. We therefore propose to amend section 3(1) by stipulating that the provision is applicable only to tenements included in the rating valuation list under section 14 of the Rating Ordinance (Cap. 116). This will exempt itinerant stalls from the requirement.

The proposed amendments have been endorsed by the Subcommittee on subsidiary legislation. We have also accepted other comments made by the Subcommittee, and have made some technical amendments to certain provisions. This will enhance the clarity of the Order and ensure that its Chinese and English versions are consistent. Details of the amendments have been set out in the Agenda.

I urge Members to support the above amendments. Thank you, Madam President.

The Secretary for Commerce and Economic Development moved the following motion:

"RESOLVED that the Trade Descriptions (Provision of Information on Regulated Electronic Products) Order, published in the Gazette as Legal Notice No. 81 of 2008 and laid on the table of the Legislative Council on 23 April 2008, be amended –

- (a) in section 2(1), in the English text, in paragraph (a) of the definition of "digital audio player", by repealing "playing" and substituting "to play";

- (b) in section 2(1), in the English text, in paragraph (b) of the definition of "digital audio player", by repealing "products" and substituting "the product";
- (c) in section 2(1), in the English text, in the definition of "digital camcorder", by repealing "making" and substituting "to make";
- (d) in section 2(1), in the English text, in the definition of "digital camera", by repealing "recording and storing" and substituting "to record and store";
- (e) in section 2(1), in paragraph (a) of the definition of "mobile phone", by adding "and" after the semicolon;
- (f) in section 2(1), in the English text, in paragraph (a) of the definition of "portable multimedia player", by repealing "playing" and substituting "to play";
- (g) in section 2(1), in the English text, in paragraph (b) of the definition of "portable multimedia player", by repealing "products" and substituting "the product";
- (h) in section 2(2)(b), by repealing "and";
- (i) in section 2(2)(c), by repealing the full stop and substituting "; and";
- (j) in section 2(2), by adding –
 - "(d) any other relevant information.";
- (k) in section 3, by adding –
 - "(1A) Subsection (1) applies only to trade or business conducted on premises being a tenement included in the valuation list in force under section 14 of the Rating Ordinance (Cap. 116).";

- (l) in the English text, by repealing section 3(2)(f) and substituting –
- "(f) the following information as regards service for the inspection, repair or maintenance of the product –
- (i) such service is available free of charge or such service is not so available, as may be applicable; and
- (ii) where such service is available –
- (A) subject to subsection (3), the place at which such service is available;
- (B) the identity of the provider of such service; and
- (C) the period for which such service is available;"
- (m) in section 3(3), in the English text, by repealing "facilities for the inspection, repair or service of a product are" and substituting "a service for the inspection, repair or maintenance of a product is";
- (n) in section 3(3)(a), by repealing "facilities are available in any particular one of those places, show" and substituting "service is available in any particular one of those places, contain information on";
- (o) in section 3(3)(b), by repealing "facilities are available in a particular place, show" and substituting "service is available in a particular place, contain information on";
- (p) in section 3(3)(b)(i), in the English text, by repealing "facilities" and substituting "service";

- (q) in section 3(3)(b)(ii), in the English text, by repealing "facilities are" and substituting "service is";
- (r) in the Schedule, in the Chinese text, in paragraph (c) of the item "數碼攝錄機", by adding "以像素列出的" before "硬照";
- (s) in the Schedule, in paragraph (d) of the item "Digital camcorder", by adding "(if provided)" after "card";
- (t) in the Schedule, in the Chinese text, in paragraph (a) of the item "數碼相機", by repealing "鏡頭" and substituting "相機";
- (u) in the Schedule, in paragraph (b) of the item "Digital camera", by adding "(if provided)" after "card";
- (v) in the Schedule, in paragraph (b) of the item "Mobile phone", by adding "(if provided)" after "card";
- (w) in the Schedule, in the Chinese text, in paragraph (d) of the item "手提電話", by repealing "鏡頭".

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the motion moved by the Secretary for Commerce and Economic Development 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 of the Members present. I declare the motion passed.

PRESIDENT (in Cantonese): Fourth motion: Amending the Trade Descriptions (Marking) (Gold and Gold Alloy) (Amendment) Order 2008.

PROPOSED RESOLUTION UNDER THE INTERPRETATION AND GENERAL CLAUSES ORDINANCE

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Cantonese): Madam President, I move to amend the Trade Descriptions (Marking) (Gold and Gold Alloy) (Amendment) Order 2008.

We propose to make minor technical amendments to section 6(1) of the Trade Descriptions (Marking) (Gold and Gold Alloy) Order to enhance its clarity.

In addition, we propose to amend the Third Schedule by replacing the obsolete citation with "Trade Descriptions (Marking) (Gold and Gold Alloy) Order (Cap. 362, sub. leg.)" in the notice.

I urge members to support the proposed amendments. Thank you, Madam President.

The Secretary for Commerce and Economic Development moved the following motion:

"RESOLVED that the Trade Descriptions (Marking) (Gold and Gold Alloy) (Amendment) Order 2008, published in the Gazette as Legal Notice No. 82 of 2008 and laid on the table of the Legislative Council on 23 April 2008, be amended –

(a) in section 4(2), in the new paragraph 6(1)(d)(ii), by adding "by virtue of paragraph 5(1)" before "and the";

(b) in section 10, by adding before subsection (1) –

"(1A) The Third Schedule is amended in the English version of the Notice by repealing "Order 1984" and substituting "Order (Cap. 362 sub. leg.)".";

(c) in section 10, by adding –

"(2A) The Third Schedule is amended in the Chinese version of the Notice by repealing "《 1984 年商品說明 (標記) (黃金及黃金合金) 令 》" and substituting "《 商品說明 (標記) (黃金及黃金合金) 令 》(第 362 章，附屬法例) ". ". "

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the motion moved by the Secretary for Commerce and Economic Development 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 of the Members present. I declare the motion passed.

PRESIDENT (in Cantonese): Fifth motion: Amending the Trade Descriptions (Marking) (Platinum) (Amendment) Order 2008.

PROPOSED RESOLUTION UNDER THE INTERPRETATION AND GENERAL CLAUSES ORDINANCE

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Cantonese): Madam President, I move to amend the Trade Descriptions (Marking) (Platinum) (Amendment) Order 2008.

We propose to make minor technical amendments to section 6(1) of the Trade Descriptions (Marking) (Platinum) Order to enhance its clarity.

I urge Members to support the amendments. Thank you, Madam President.

The Secretary for Commerce and Economic Development moved the following motion:

"RESOLVED that the Trade Descriptions (Marking) (Platinum) (Amendment) Order 2008, published in the Gazette as Legal Notice No. 83 of 2008 and laid on the table of the Legislative Council on 23 April 2008, be amended –

- (a) in section 5(2), in the new paragraph 6(1)(d)(ii), by adding "by virtue of paragraph 5(1)" before "and the";
- (b) in section 11(1), by repealing everything after "by" and substituting "repealing "Order, every article made of platinum that is supplied or offered for supply in the course of trade or business" and substituting "Order (Cap. 362 sub. leg.), every article made of platinum that is supplied or offered for supply in the course of trade or business at retail level".";

- (c) in section 11(3), by repealing everything after "by" and substituting "repealing "令 », 每一件在 " and substituting "令 »(第 362 章 , 附屬法例), 每一件在零售層面的 "."."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the motion moved by the Secretary for Commerce and Economic Development 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 of the Members present. I declare the motion passed.

MEMBERS' BILLS

First Reading of Members' Bills

PRESIDENT (in Cantonese): Members' Bill: First Reading.

**THE HONG KONG UNIVERSITY OF SCIENCE AND TECHNOLOGY
(AMENDMENT) BILL 2008**

CLERK (in Cantonese): The Hong Kong University of Science and Technology (Amendment) Bill 2008.

Bill read the First time and ordered to be set down for Second Reading pursuant to Rule 53(3) of the Rules of Procedure.

Second Reading of Members' Bills

PRESIDENT (in Cantonese): As The Hong Kong University of Science and Technology (Amendment) Bill 2008 presented by Mr Abraham SHEK relates to government policies, in accordance with Rule 54(1) of the Rules of Procedure, the signification by a designated public officer of the written consent of the Chief Executive shall be called for before the Council enters upon consideration of the Second Reading of the Bill.

SECRETARY FOR THE CIVIL SERVICE (in Cantonese): President, I confirm that the Chief Executive has given his written consent for The Hong Kong University of Science and Technology (Amendment) Bill 2008 to be introduced into this Council.

PRESIDENT (in Cantonese): Members' Bill: Second Reading.

Mr Abraham SHEK, you may now move the Second Reading of your Bill.

**THE HONG KONG UNIVERSITY OF SCIENCE AND TECHNOLOGY
(AMENDMENT) BILL 2008**

MR ABRAHAM SHEK: Madam President, I move the Second Reading of The Hong Kong University of Science and Technology (Amendment) Bill 2008 (the Bill).

The Bill was published in the Government Gazette on 6 June 2008. The main purpose of the Bill is to amend The Hong Kong University of Science and Technology Ordinance (Cap. 1141) to include a definition of "Provost", to provide for the appointment and removal of a Provost by The Hong Kong University of Science and Technology (HKUST), to change the composition of HKUST's Council and to make consequential and related amendments.

The amendments are proposed in the light of the recommendations of the Report on Higher Education in Hong Kong in 2002 and the Report of the Public Accounts Committee No. 40A in 2003. Two principles are observed in proposing the amendments:

- (a) the overall size of HKUST Council, in the interest of effective operation, has to be small; and
- (b) the number of external members in relation to internal members should be in the ratio of 2 : 1 for the sake of accountability.

Going by these two principles, the proposed size of HKUST Council will be reduced from 34 to 27. This is achieved by taking away 10 existing seats and adding three new ones.

The 10 seats being taken away consist of one lay member, three public officers, two Vice-Presidents, three Deans, and one academic representative of the Senate. All constituent groups concerned have no objection to removing the seats in question. The three seats to be added consist of one Provost, one full-time employee and one full-time student.

Madam President, I will explain the reasons for creating the new seats.

The new position of Provost is created pursuant to a recommendation of the Management Consultant engaged by HKUST in 2006 to review HKUST's senior management structures, in preparation for the implementation of a four-year undergraduate education and for the future strategic developments of HKUST. Provost is a title commonly understood in renowned universities in

the USA for the chief academic officer, who is responsible for oversight of all educational affairs and activities, including academic personnel.

As regards the other two new seats, when HKUST Ordinance was first enacted in 1988, no Council seats were provided for students and employees other than the senior management (such as Deans) and academic representatives on the Senate of HKUST. It is believed that as stakeholders, students and employees should also have a voice in HKUST Council. This is the reason for creating two new seats, for a full-time student and a full-time employee respectively.

In early 2008, HKUST widely consulted various stakeholders on the proposed amendments. With their support, on 12 March 2008, HKUST Council unanimously passed all the proposed changes. Representatives of HKUST Council and all stakeholder groups attended the Panel on Education's meeting of 8 May 2008 to brief Legislative Council Members on the Bill and listen to their views. The background, content, the consultation process and the outcome, the stakeholder groups' written submissions, together with HKUST Statutes and Regulations designed to govern the election of the Staff and Student Council Members are detailed in the Legislative Council Brief, which was submitted on 5 June 2008 to the Legislative Council.

If the Bill should meet with the approval of the Legislative Council, membership of HKUST Council will be made available to one full-time staff member and one full-time student.

In regard to the alumni, a seat has already been provided in the Ordinance for a body known as the Convocation, which is to consist predominantly of alumni of HKUST. It is not proposed to make changes. HKUST Alumni Association is fully aware that the Chairman of the Convocation is an *ex-officio* member of HKUST Council. Typical of universities, the number of alumni takes time to grow, mature and accumulate. HKUST is in the process of consulting its alumni to set up the Convocation.

The effective date of the Bill, proposed to be 1 September 2009, takes into consideration the lead time necessary for recruitment of the Provost,

preparations for elections of the staff and student member, and establishment of the Convocation.

HKUST Ordinance was enacted in 1988. Now is the first time that HKUST seeks to make substantive amendments to its Ordinance. HKUST is grateful to the Panel on Education for taking time to examine the Bill and to listen to the views of the representatives of stakeholder groups present at the Panel meeting. HKUST is gratified to note that the Panel, having accepted its proposals, did not find it necessary to form a Bills Committee at that time to scrutinize the Bill. Pertaining to the advice of the Panel, HKUST has drawn up regulations in accordance with the wishes of the staff and students to govern the election of the Staff and Student Council Member respectively.

On behalf of HKUST, of which I am a member of its Council, Madam President, may I submit the Bill for Honourable Members' approval. Thank you, Madam President.

PRESIDENT (in Cantonese): I now propose the question to you and that is: That The Hong Kong University of Science and Technology (Amendment) Bill 2008 be read the Second time.

In accordance with the Rules of Procedure, the debate is now adjourned and the Bill is referred to the House Committee.

MEMBERS' MOTIONS

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

PRESIDENT (in Cantonese): First motion: Providing food and nutrition support to the grassroots.

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

PROVIDING FOOD AND NUTRITION SUPPORT TO THE GRASSROOTS

MR KWONG CHI-KIN (in Cantonese): President, I move that the motion, as printed on the Agenda, be passed.

President, as a Member representing the labour sector, it is my duty to care for the livelihood of the grassroots and narrow the wealth gap. Our goal is to help the grassroots to increase their incomes and reduce their expenditures. For this reason, our long-standing struggle for a minimum wage level is motivated by the hope of enabling the grassroots to receive a reasonable income, that is, to "increase their incomes". And, the motion I put forward today, "Providing food and nutrition support to the grassroots", is founded on the hope of enabling the grassroots to keep their expenses at lower levels, that is, to help them "reduce their expenditures".

In the first quarter of this year the inflation rate rose to 4.8% due to high oil prices, the weakening US Dollar and the appreciation of Renminbi. Besides, since global food prices rose by 42% last year and the global food reserves dropped to an all-time low in 28 years, food prices in Hong Kong rose by more than 11% year-on-year. Pork prices rose by nearly 60%; beef prices by one fifth, canned food by 45%, rice prices by 25% and egg prices by 15%. As a whole, the prices of main foodstuffs rose by near 40%. As estimated by local economists, an inflation rate of 5% or 6% may continue for several years. Most of the salaried classes may hopefully receive pay rises this year, but the increase rates for the grassroots are simply unable to catch up with the inflation rate. As a result, we have once again started to hear all those endless stories totally unimaginable in this affluent society of Hong Kong.

One organization, for example, has told of how large numbers of entire grass-roots families linger around country parks, trying to scavenge the meat discarded by picnickers into garbage bins or beside barbecue pits. It has also been observed that some people will wait outside restaurants, so that they can search the garbage bins there for any eatable food after the closure of restaurants at night. Some grass-roots people, it is also disclosed, will wait outside bakeries, so that after shop closure at night, they can pick up the discarded bread which cannot be stored for sale the following day. Even grass-roots women who do not have to scavenge any food must try to save money whenever possible

by, for example, buying food in markets near closure hours, when prices are lower.

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

Non-government organizations have responded to the situation faster than the Government. They have long since taken actions to tackle the problem. For example, the St. James Settlement has been operating the People's Food Bank, which distributes food with the co-operation of some 20 other organizations. Dah Chong Hong has also been assisting Kwun Tong Methodist Social Service in the operation of a food bank by providing monthly cash assistance and foodstuffs, such as rice, flour, canned food, oatmeal and formula milk. All these actions are commendable. However, as food prices soar and the number of needy people increases incessantly, voluntary agencies are able to buy less and less food for distribution. According to the statistics of some organizations, in the first half of this year alone, the number of people receiving food from food banks already exceeded the total number last year. It is expected that the number of food recipients will multiply.

All these statistics are very saddening. This year marks the 60th anniversary of the founding of the Hong Kong Federation of Trade Unions (FTU). To commemorate our 60th anniversary, we have published a photo album, and many of the photos were taken inside workers' canteens many years ago. Several decades ago, when the economy of Hong Kong just started to take off, grass-roots workers could only earn subsistence wages. For this reason, many member unions of the FTU operated some workers' canteens, which provided free or cheaper food to ease workers' burdens and difficulties. Following Hong Kong's economic take-off, such canteens stopped operation one after another. My personal assistants are mostly in their early twenties, so when they saw the photos of these canteens, they were very surprised to find that sometime in the past, the grassroots in Hong Kong even did not have any money for meals. Ironically, nowadays, we once again see that many organizations have set up food banks one after another. Worse still, the demand is expected to rise incessantly. After the passage of several decades, the Hong Kong economy has grown several times, but some people are still so impoverished that they simply do not have enough to eat. This is indeed very saddening.

The Social Welfare Department (SWD) has also tried to offer help. The Government is now exploring the possibility of expanding the network of participating organizations. For example, it is holding discussions with the

hotel industry on providing greater assistance to food banks. Earlier on, Secretary Matthew CHEUNG announced that the relevant social welfare agencies could apply to the SWD for lease of shops in public housing estates at concessionary rents and for subsidies of rates and Government rent. But the current situation is that the number of households each earning less than \$10,000 a month is close to 600 000 this year, which accounts for 26.4% of the total number of households in Hong Kong. According to rough computations, disregarding the 290 000 households in receipt of Comprehensive Social Security Assistance (CSSA), more than 300 000 impoverished households are still unable to receive any assistance. The dozen or so food banks currently operated by voluntary agencies are simply a drop in the bucket, totally unable to tackle the problem.

Therefore, by moving this motion today, I hope that the Government can squarely address this problem as early as possible. How can there be any starvation in a society as affluent as Hong Kong? I think all this boils down to a problem with resource distribution. In its attempts to foster economic development, the Government should not focus solely on high economic growth. It has the duty to distribute resources fairly, so that the basic livelihood of the grassroots can be assured.

When it comes to the distribution of food, this actually means that we should avoid an undesirable situation under which "one banquet of the rich costs as much as half a year of food expenses for a poor man". According to some statistical studies conducted by international voluntary agencies, some 27.5% of the foods bought in the United States every year are wasted. In the United Kingdom, one third of the foods purchased by the public every year are discarded. And, in Sweden, one quarter of the foods purchased by households with children are also discarded. There are no such statistics in Hong Kong, but it is believed that the figures will be roughly the same.

For hygiene reasons, it is difficult to distribute uneaten cooked foods to others. But if the Government can establish a territory-wide foods distribution system, whereby clean foods can be distributed effectively to the food banks in different districts, those in need will thus receive assistance. Not only this, and more importantly, people with the means will be enabled to help their fellow citizens. If any food shops or food manufacturers have any vegetable, fruit or other foodstuff which are due to expire soon or which are not expected to be popular in supermarkets, they may approach the relevant organizations and give all such foodstuffs to those food banks in need. In the United States, low-income earners can apply to the government for food voucher cards. The

government will add value to food voucher cards once a month and card-holders can use their cards to buy bread, fruit, vegetable, fish and dairy products. But such cards cannot be used for buying tobaccos and alcohol. In Columbia, food banks providing food for free are based in more than a hundred churches. Quotas of food provision are set for individual families on the basis of sizes. But there is an unlimited supply of bread, so as to ensure that no one will be starved to death.

Besides assisting in the establishment of a network of food banks, the Government should also provide appropriate assistance to different categories of disadvantaged people belonging to various social strata. In this connection, the Social Policies Committee under the FTU has put forward a proposal, advising the Government to provide the most vulnerable members of our society with some urgent services. Some examples are food coupons and the provision of dairy products and nutritious foodstuffs to pregnant women and children. It is also proposed that in order to assist low-income families, the Government should provide subsidies to non-profit-making organizations and social enterprises. On the one hand, the Government should help offset the operating costs of social enterprises, and on the other, it should also promote collective purchases. At the same time, the Government should issue food coupons to CSSA recipients, so that they can redeem prescribed fresh foodstuffs from specified shops or local social enterprises. This can promote the development of social enterprises, in addition to curbing inflation.

As shown by the Budget announced in late February, the Government still holds a huge fiscal surplus. However, the series of relief measures put forward by the Financial Secretary are entirely unable to tackle the livelihood problems faced by the grassroots. As a result, in the face of the inflation over the past few months, the provision of enough food to the grassroots has remained a topic of discussions in the Legislative Council.

I hope that having listened to our views today, the Government can take some active measures to protect the basic livelihood of the grassroots. Thank you, Deputy President.

Mr KWONG Chi-kin moved the following motion: (Translation)

"That the rise in food prices worldwide has led to a surge in local food prices, resulting in escalating inflation in Hong Kong, with last month's year-on-year Composite Consumer Price Index recording an increase of 5.4%, the income of the grassroots being eroded by inflation, forcing

many grassroots and poor people to reduce their expenditure on food, buy less food or switch to buying food products of poorer quality, and some people even have to collect leftovers in the markets or at the back entrances of restaurants, such situations will easily lead to children who are growing up and the frail elderly suffering from malnutrition; in this connection, this Council urges the Government to formulate the following measures to assist the grassroots in countering the surge in food prices:

- (a) the Administration making reference to overseas practices and providing poor students with free breakfasts and lunches, as well as nutritious foodstuffs such as fruits and milk, etc to enable them to be well-fed and take in sufficient nutrition;
- (b) expeditiously providing rent-free units in poor and remote districts for setting up co-operatives which make bulk purchase of food, hot food centres or food banks, so as to provide meals as well as basic food and oil supplies to those poor people who have difficulty in paying for their daily meals;
- (c) issuing food coupons and meal coupons to those poor people who cannot benefit from food banks or hot food centres to enable them to have enough food for their daily meals;
- (d) closely monitoring the supply situation and price increase of basic food and oil supplies, and curbing large supermarket chains from manipulating the supply prices charged by suppliers;
- (e) encouraging the general public and private organizations to donate food to food banks and hot food centres; and
- (f) allocating more resources to provide free meal delivery service to the poor elderly."

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

DEPUTY PRESIDENT (in Cantonese): Three Members intend to move amendments to this motion. The motion and the three 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 Frederick FUNG and Mrs Selina CHOW; but no amendments are to be moved at this stage.

MR ALBERT HO (in Cantonese): Deputy President, the Democratic Party supports Mr KWONG Chi-kin's motion, hoping that the Government can implement more measures to help the impoverished to have more food. My amendment today is divided into two main parts. First, it requests the Government to collaborate with voluntary bodies to sell food at low prices or even give it to poor families for free. Second, it proposes that the Government should make inflationary adjustments to the CSSA rates and grants on a more frequent basis, and increase the amount of Old Age Allowance (fruit grant) to enable the recipients to buy sufficient food.

Recently, food prices have been soaring and inflation rampant, thus plunging the impoverished into immense livelihood difficulties. In the first four months of this year, the inflation rate stood at 4.8%, and about 40% of this rate was the result of rising food prices. The lower the incomes of people are, the greater will be the proportion of food expenses in their overall expenditure. But the Government has been turning a blind eye to the soaring food prices, and it has even been watching the situation with folded arms. On 7 May, the authorities replied to Miss CHAN Yuen's question on providing food assistance to low-income earners. But in their reply, the authorities refused all her proposals, saying that the Budget had already proposed to issue one extra month of CSSA, and that they would advance the review of CSSA rates to the middle of this year. It was explained that all this could help the lower strata of society to cope with their demand for food. A couple of days ago, at a Chief Executive Question and Answer Session of the Legislative Council, the Chief Executive disclosed that specific measures to protect the livelihood of the grassroots would be proposed in the policy address to be announced in October. However, there are still four months to go before October. Even if we assume that sound measures will be announced, the legislature and the executive must still attend to

some technicalities in the meantime. This may mean several more months of waiting. How can low-income earners who so badly need all sorts of basic necessities possibly cope with the situation in the interim?

A couple of days ago, the Executive Council approved the rates of pay rise for civil servants. Senior civil servants at Directorate level or above will receive an increase of 6.3%. The rate for middle and junior civil servants will be 5.29%. All the pay rises will involve a spending of \$6.8 billion from the public coffers. The rates are far higher than those for private-sector employees and also the rate of inflation. The salaries of the Deputy Directors of Bureau and Political Assistants appointed by the Government are more than \$130,000 even in the lowest case. The Government is so generous when it comes to all these matters, that is, civil service pay rises and political appointments. But it is so indifferent to the ordinary masses, especially the impoverished elderly. Since 1998, the "fruit grant" has never been increased. Even now, it is kept at the very low level of \$700.

According to the findings of a telephone survey conducted by The Chinese University's Hong Kong Institute of Asia-Pacific Studies, 96.5% of the respondents were of the view that inflation was rampant, and 85.1% of them agreed that the "fruit grant" should be increased. Are top government officials deaf to the aspirations of the public and the voices of the elderly? Two days ago, Secretary for Labour and Welfare Matthew CHEUNG visited some elderly persons in Guangzhou — elderly persons who have moved to live there temporarily, of course. The elderly persons he visited literally begged him in tears to increase the "fruit grant". The authorities are actually aware of their plight. But why do they still insist on conducting the review at the end of this year? How much can top government officials sitting in the comfort of their air-conditioned offices understand the plight of the people? When they go back home, will our top government officials please ask their Filipino domestic helpers how much the prices of fruit have risen? I believe the answer they get will be at least 20% to 30%. Many elderly persons are not greedy at all. They only hope that the "fruit grant" can be increased to \$1,000. In the case of many elderly persons, they really need this sum of money to cope with the pressure of rampant inflation. This is the consensus of the Legislative Council, one which is supported by most in the community. We hope that the Government can give the community a swift and strong response. If not, grievances will mount and the Government must bear the political consequences.

Elderly persons aside, we also request the Government to review the rates of CSSA on a more frequent basis. The current inflation rate has actually rendered the increase rate in February largely meaningless. We hope that the Labour and Welfare Bureau can increase the frequency of reviews to once every three months, so that adjustments can be made swiftly to enable recipients to cope with rising goods prices. Actually, we think that the adoption of a projection mechanism will be more effective. But the Government has up to now refused to adopt such a mechanism. We therefore maintain that the review cycle must at least be shortened.

When it comes to assisting low-income households, we support Mr KWONG Chi-kin's proposal on distributing food coupons. This practice can enable people to effectively cope with sudden food crises or at least soaring food prices. In many advanced countries such as the United States and Canada, food banks are operated in local communities to provide food to those not covered by social security. The operation of such food banks is mainly financed by donations, and they play a very significant role in the provision of social security. Locally, food banks are being operated by 15 welfare agencies for persons and families in local communities who are not in receipt of CSSA. People in need can choose to dine in the centres of food banks, get fast-food coupons or take canned food and rice back home for consumption. But operators of food banks have told us that owing to rising food prices and the incessant increase in the number of people seeking assistance, they have gradually been forced to supply canned food and other foodstuffs that are cheaper.

The Democratic Party maintains that the Government should not watch this situation with folded arms. Instead, it should assume a more active role. It must provide financial and other forms of support. It should co-operate with voluntary agencies and give them direct funding for the purpose. Or, it can co-operate with these organizations in the establishment of more food co-operatives or food banks. Greater quantities of daily necessities should be purchased and sold to the needy at low prices. And, whenever necessary, the poorest families should be given provisions for free. I also know that many restaurants or shops will discard their unsold food every day. We have repeatedly remarked that this is a great waste of resources. We hope that the Government can really identify some voluntary agencies or food banks to serve as the middlemen to assist such restaurants and shops in channelling the food

they want to discard to those in need. The Secretary has rightly pointed out the hygiene factor, and I agree that we must be very careful. But I am convinced that difficulties can all be overcome somehow.

Deputy President, in response to the urgent situation caused by inflation, the Government should make more efforts to relieve people's plight and offer assistance to the disadvantaged members of society, who are dying for our concern and attention. I so submit. Thank you.

MR FREDERICK FUNG (in Cantonese): Deputy President, the motion today stirs up all sorts of bitter feelings in me.

I wish to thank Mr KWONG Chi-kin for moving the motion today. Many grass-roots people are currently undergoing a very difficult period. The Hong Kong Association for Democracy and People's Livelihood (ADPL) and I both urge the Government to expeditiously provide appropriate assistance to grass-roots people and relieve the inflation pressure on them. I am frankly greatly saddened by the very fact that we must still rely on relief in kind to help the impoverished in Hong Kong. Several decades ago, when there was no social security in Hong Kong, poor people in difficulties must rely on alms. Deputy President, I can remember that when I was in primary school, my family often took me to some shops operated by churches, where people all lined up for biscuits and milk. We often went to these shops because we did not have enough money for meals. I believe the Secretary should still remember the time when there were still many squatter areas in Hong Kong. Squatter huts were all very shabby, and in case of fire or typhoons, the Government would distribute hot meals cooked in a big wok. It was just like the scenes we saw on television several days ago about the distribution of food to earthquake victims in Sichuan. There, in a big kitchen, hot meals were cooked in many big woks and then distributed to victims of calamities lining up for rice, water, porridge, cooked food and blankets.

It was not until after the 1967 Riots, until after Sir Murray MacLEHOSE became Governor, that cash was given in place of relief in kind. This was the predecessor of the present Comprehensive Social Security Assistance (CSSA). We called this "public assistance". But such "public assistance" was granted to the old and the disabled only. Later on, when CSSA was introduced, the unemployed, single parents, and so on, were also allowed to apply.

Therefore, we are clearly going backward. Deputy President, we are clearly taking a road of retrogression. Last month, in the Legislative Council, even the Chief Executive admitted this. But if we are to tackle the problem seriously, to solve it once and for all, that is, to address the food crisis faced by the grassroots, we must identify the root causes and administer the right remedy. Mr KWONG Chi-kin's motion only says that "the rise in food prices worldwide has led to a surge in local food prices, resulting in escalating inflation in Hong Kong." This is only part of the truth.

In that case, what are the other reasons for the food crisis faced by the grassroots in our society, for our retrogression to the 1960s and 1950s? Deputy President, just now, I saw the following lines on the Internet, and I wish to read it aloud to Members, "After the financial crisis of 1998, the issue of poverty worsened in Hong Kong. A UN report on human development pointed out that in terms of the gap between the rich and the poor, Hong Kong ranked number 3 in developed areas of the whole world and number 1 in developed areas of Asia. The SAR Government reduced CSSA for the first time in June 1999. This caused further hardship to those who relied on the SAR Government for their livelihood. With the economic downturn and high rate of unemployment, the number of street sleepers shot up. The number of referrals to this centre for food assistance continued to increase." (End of quote)

Do Members find all these lines familiar? Right, we have actually mentioned similar statistics in this Chamber numerous times before. But the Government has all the time been so indifferent. Deputy President, these lines are not quoted from any Official Record of Proceedings of the Meetings of the Legislative Council. They are quoted from the webpage of the People's Food Bank operated by the St. James Settlement.

In other words, the reasons for our having to beg the Government to provide assistance in kind to the grassroots are not only "the rise in food prices worldwide" and "escalating inflation in Hong Kong" but also our SAR Government's repeated moves to reduce CSSA rates. The SAR Government has itself pushed the needy to the verge of impoverishment. It has even taken the lead in causing panic, creating social stigmas, splitting up society and continuously suppressing CSSA recipients, making many needy people unwilling to apply for CSSA. Worse still, by means of administrative measures, the

Government has even excluded from the safety net all those people in greatest need, including street-sleepers, new immigrants, single-parent families and ex-prisoners, who must rely heavily on food banks.

In the past 10 years, instead of making any serious attempts to forge a social consensus and formulating an effective strategy on helping the poor, the Government has imply allowed the Treasury to be "flooded" by money and chosen to hand out "comprehensive political security assistance". That our SAR Government has allowed the deterioration of the poverty problem is the only culprit bringing forth the food crisis faced by the grassroots today.

The present CSSA system is fraught with numerous defects. Last month, in the Legislative Council, the Chief Executive remarked, "We have gone far beyond the mode of giving food vouchers, we are now in the mode of giving out cash, which is a higher level, for this offers more choices to recipients. In other words, we are not going to backtrack now and give out food." (End of quote)

I do not know how much the Chief Executive knew about our CSSA system when he made those remarks. Is he aware that the CSSA system has not been reviewed for 10 years? Is he aware that many elderly persons and new immigrants are now excluded from the safety net? At the meeting of the Finance Committee last week, the Government was still reluctant to conduct a comprehensive review of CSSA rates. Does this mean that while the Government is well aware of the grassroots' plight, while it refuses to provide them with food directly, it still does not want to ensure that the grassroots can get enough money from CSSA to buy food? I hope the Secretary can give us an explanation later on.

Deputy President, I suppose the Secretary must have watched the news on television. He should know that in recent months, there have been protests all around the world against rising prices. There have been riots in Bangladesh and Cote d'Ivoire and Burkina Faso in West Africa. And, in Haiti and Cameroon and Somalia in Africa, some protesters even died during the clashes. The per capita incomes in these countries are admittedly far, far lower than that in Hong Kong, but I hope the Secretary will not forget that once upon a time, Hong Kong was actually comparable to these developing countries in terms of the wealth gap.

Speaking of the conventional means of measuring the wealth gap, the Gini Coefficient, that is, the coefficient compiled purely on the basis of household incomes, we can see that the Gini Coefficient in Hong Kong rose from 0.518 in 1996 to 0.533 in 2006, which is the highest level since 1971 when relevant records were first kept. The Government claims that the disparity in wealth has been alleviated through taxation and the provision of public services to low-income earners, but the Gini Coefficient in 2006 only went down to 0.475 even after taxation and welfare provision had been taken into account. This is still far higher than the alarm level of 0.4 adopted internationally. We have exceeded the alarm level. The serious wealth gap problem has led to class conflicts and social instability. Inflation will simply fan the flame and lead to unimaginable consequences, I must say to the Secretary.

Therefore, in order to tackle the present problem, the Government must do some serious self-examination to find out what have gone wrong with its administration in the past 10 years, in addition to providing assistance in kind. Are there any blunders? Why has the situation still worsened to such a state despite all the Government's claims that its policies are effective? Can the present social security system really provide needy people with adequate protection, basic protection and livelihood protection? Will the free market which has been upheld so blindly do even greater harm to society?

The provision of food assistance to the grassroots is a welfare issue. But who should receive such assistance and how to help them do away with the need for such assistance in the future are a cross-portfolio issue. Surely, the Secretary alone cannot possibly tackle this problem. I hope that he will conduct discussions with the Chief Secretary for Administration and even the Chief Executive on all these problems, all these inter-related problems and inter-related policies. Secretary, I hope I can convince you today. I also hope that via you, I can also convince the Chief Secretary for Administration and the Chief Executive of the need for a serious review of our social security system and the CSSA system.

Deputy President, I think we are virtually forced to backtrack to the provision of assistance in kind today. At this very critical moment, the ADPL urges the Government to discard its old mindset and indifference to the impoverished masses; it must take prompt actions to solve the urgent problem faced by them. Last week, the Government submitted a paper to the Panel on Welfare Services. In this paper, it is proposed to offer concessionary rents to

food banks wishing to operate in premises managed by the Housing Department and to encourage the hotel industry to donate food to food banks. The ADPL welcomes all these measures. But we still hope that the Government can be more proactive in the provision of a greater variety of assistance to the grassroots.

I wish to move my amendment, because I hope the Government can learn from the case of CSSA and pay proper attention to any possible labelling effects caused by the provision of assistance in kind. The Government must ensure that such assistance will not have any labelling effect on the recipients, will not achieve the opposite result of depriving them of the protection they urgently need. At the same time, the Government must review the CSSA system immediately, so as to include all needy people in the safety net.

With these remarks, Deputy President, I support the original motion and all the amendments.

MRS SELINA CHOW (in Cantonese): Deputy President, "inflation is even more ferocious than a tiger". It is so "ferocious" that even the glutinous rice dumplings for the Tuen Ng Festival have shrunk in size. An old lady has told me that the prices of all ingredients have gone up — not only the prices of glutinous rice, pork and salted eggs but also those of lotus leaves and reed strings. One must therefore economize on making glutinous rice dumplings this year.

Well, whether there are any glutinous rice dumplings is not really so important to the low-income and grass-roots families. Their major concern is how they can have enough food for tomorrow in the face of rising inflation.

Therefore, my purpose of moving an amendment on behalf of the Liberal Party today is to express our grave concern about this issue on the grassroots' food and nutrition problems. Specifically, we wish to ensure that elderly persons, children and CSSA recipients will not become the worst victims of inflation. Of course, I will also discuss the general situation and point out that all families in general, including grass-roots families, are seriously impacted by inflation.

In the case of those elderly persons using meal delivery service or living in elderly homes, their meals have recently shrunk in quantity. The quality has

also been declining, too. The Against Elderly Abuse of Hong Kong has disclosed that from December last year to May this year, it received complaints from nearly 80 elderly persons about less meat and fish in the meals delivered to them. According to the complainants, the quantity of rice was also reduced from two bowls to one bowl. It has also been reported by the media that in order to cut costs, some elderly homes even use large quantities of fat pork in making dishes of steamed minced pork. Sometimes, even half of a dish of steamed minced pork is fat pork. This is of course very bad to elderly persons suffering from hypertension and cardiovascular diseases. The Liberal Party maintains that such a practice is unacceptable. Its amendment to the present motion is aimed at urging the Government to pay more attention to the problem and step up supervision.

Earlier on in this Chamber, Secretary for Labour and Welfare Matthew CHEUNG rendered some sort of "verbal coercion", saying that he was "very worried, very concerned". But, as it has subsequently turned out, the Government has only asked the Social Welfare Department (SWD) to tell welfare organizations that they should deploy resources properly and make use of their reserves to cope with the situation. And, welfare organizations are also told that they should approach the SWD only if no solutions can be identified. It is at all doubtful whether things can really work out that way.

Actually, in order to solve the problem once and for all, the SWD should seek to clarify the situation proactively. It should seek to ascertain whether welfare agencies are really facing a shortage of resources, what kinds of additional assistance the Government should provide and how to make sure that all additional resources will be used on elderly persons. At the same time, as the authority responsible for supervising welfare agencies and elderly homes, the SWD should proactively step up inspections, so as to ensure that the health and diets of elderly persons will not be eroded or jeopardized by galloping inflation.

Speaking of increasing the "fruit grant" for the elderly, it can be said that the Legislative Council is unanimous in requesting the Government to squarely address the problem. We also criticize the Government for its stubbornness over this issue. It should respond quickly to this unanimous demand of ours.

Deputy President, another worry of mine is about nutrition support for children. According to an earlier survey, the children of many impoverished families cannot have enough food as a result of galloping inflation. These days,

everybody in society is talking about the elimination of inter-generational poverty. But I am afraid that the problem should precisely be inter-generational under-nourishment. For this reason, the Liberal Party hopes that the Government can come to the assistance of these children, so that they can have enough food and nutrients.

The case of full-time students from CSSA families is one example. Each of these children now receives a meal allowance of \$200 a month. With effect from 1 August, the allowance will be increased to \$210. This means a 5% increase. But meanwhile, some caterers have already decided to increase the price of one lunch-box by \$2 to \$17 starting from the next academic year. The rate of increase is as high as 13% in other words. As a result, parents must pay extra in order to buy a lunchbox for their children. This is the problem with the amount of allowance. A review is certainly called for.

Deputy President, we naturally welcome the Government's move to advance the increase of CSSA standard rates to 1 August in response to public opinions. But if Members are observant enough, they will notice that while there have been double-digit increases in food prices, the rate of CSSA increase will only be 4.4%. There is clearly a gap here. Therefore, we maintain that the Government should expeditiously review the proportion of "food items" in the CSSA index of prices, so as to maintain the food purchasing power of CSSA recipients.

In addition, we also support the development of food banks and the distribution of food coupons. It is especially worth pointing out that food banks in foreign countries are very successful. Locally, as I have heard from other Members, there has been very limited development of food banks. Actually, in order to assist needy people, we should establish more food banks in places with a more serious poverty problem and larger numbers of unemployed persons. The Government should play the role of co-ordination, providing logistics and technical support to food banks, so that they can collect more food donated by restaurants and distribute it to those in need.

Deputy President, in regard to food supply, Mr Vincent FANG of the Liberal Party will speak especially on how to maintain stable supply after all the minor "hiccups", the series of supply interruptions, relating to various foodstuffs (such as flour, pork, formula milk, cooking oil and rice) experienced by Hong

Kong over the past six months or so. Stable supply is vitally important, because when supply is stable, further price rises and the worsening of inflation can both be avoided.

Deputy President, when it comes to how the ordinary public can cope with the effects of inflation — this is of course especially important to families with lower incomes — the Liberal Party holds that there is a very significant role for the Consumer Council to play. For one thing, the Consumer Council is duty-bound to uphold consumer right, and, more importantly, it has always been talking about the right of consumers to know. As a matter of fact, in the midst of galloping inflation, television stations, newspapers and even other organizations have all been making price comparisons all over Hong Kong. For example, one television station has recently produced a programme called "Smart Riders". And, even some newspapers have created their price comparison websites and invited political parties to pitch in. Resources permitting, we will certainly do so.

I have just browsed one such website run by a Chinese newspaper. The information there was last updated at 9 am today. Goods prices of the two major supermarket chains are compared. And, the goods covered are of a very wide range — bread, cereals, cooking oil, canned food and even personal care products. Such information is very useful to consumers who want to buy goods at lower prices.

When we look at the Consumer Council again, we will see that their price comparisons are updated only once every two weeks. The last time when such information was released was 4 June. But the prices of supermarket goods change practically every day. Therefore, the information provided by the Consumer Council is inevitably outdated, right?

Actually, as a "beacon" for consumers, the Consumer Council should not allow itself to be so "outdated". It must step up its price comparisons and increase the frequency of supermarket inspections, so as to prevent people from fooling consumers by manipulating prices. This is the only way to really help consumers to cope with the effects of inflation.

Deputy President, the Liberal Party will support the original motion and all the amendments today. Thank you, Deputy President.

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): Deputy President, first of all, I thank Mr KWONG Chi-kin for proposing this motion today. I also thank Mr Albert HO, Mr Frederick FUNG and Mrs Selina CHOW for proposing amendments to the motion.

The Government has all along been very concerned about the needs of low-income earners and fully appreciates that the persistent inflation recently, especially the rise in food prices, has subject the low-income group to greater pressure and difficulties. In this connection, apart from the ongoing support in health services, social security, public housing and education, the Government has, as Members are aware, introduced a series of specific initiatives for the low-income group to help relieve the pressure of inflation on them.

Inflation is a global phenomenon and Hong Kong, being an open economy, is not immune to its impact. In the first four months of 2008, Hong Kong's headline consumer price inflation was 4.8%, which is higher than the 2.0% in 2007. The more distinct pick-up in inflation in recent months was mainly caused by global food prices inflation. The near-term outlook for inflation also depends much on food prices in the international markets, which have been rather volatile. Apart from food prices, the high prices of oil and other commodities in the international markets, the weakness of US Dollar, the Renminbi appreciation as well as the strength of the local economy will all continue to exert inflationary pressure on us for sometime in the future.

To relieve the pressure brought by inflation on the low-income group recently, the Government has introduced a series of measures and as Members may know very well, these initiatives include rates exemption for the whole year, payment of one month's rent for low-income families living in the rental units of the Hong Kong Housing Society (HS) and the Hong Kong Housing Authority (including tenants of the Elderly Persons' Flats in HS Group B estates), and an electricity tariff subsidy of \$1,800 for each residential account. The Financial Secretary also stated clearly at the meeting of the Panel on Financial Affairs yesterday that water charges will be frozen this year and also the next financial year.

Moreover, each elderly recipient of the Old Age Allowance (or the "fruit grant") will be given a one-off grant of \$3,000 next week. One additional month of standard rate payment and allowance will also be given to the

Comprehensive Social Security Assistance (CSSA) and Disability Allowances recipients respectively next week. The CSSA standard payment rates will also be adjusted upward by 4.4% with effect from 1 August this year according to the movement of the Social Security Assistance Index of Prices (SSAIP) ahead of the normal schedule.

Under the CSSA Scheme, able-bodied children are granted with higher standard rates than other able-bodied adults. Apart from the CSSA standard rate payment, CSSA students are also provided with a range of special grants to meet their school-related expenses, such as textbooks, transport fares to and from school, and stationery. CSSA children are entitled to an additional monthly allowance of \$200 to meet the extra expenses, provided that they are full-time students and have to take lunch away from home. This allowance will also be increased on 1 August in parallel with the increase of the CSSA rates.

The standard rate payment under the CSSA Scheme has already covered food expenses, and the CSSA Scheme also provides meal allowances for eligible students. Some Members proposed that food coupons be distributed to assist the grassroots in countering the surge in food prices. We consider that the adjustment of the CSSA rates ahead of the normal cycle and the provision of one additional month of CSSA standard rate payment are more direct, flexible and pertinent ways to enable social assistance recipients (including low-income families) to flexibly use their payment to buy goods and services they need. In fact, distributing food coupons will involve certain operational and administrative costs, in which case the limited public resources cannot be utilized in the most cost-effective way.

There are local and non-governmental organizations (NGOs) in the community providing temporary in-kind food assistance to help individuals and families in need. The target service users of these organizations include individuals and families with low income or in poverty, street sleepers, single-parent families, new arrivals, and individuals and families in need of emergency relief because of unexpected circumstances. These organizations which provide food assistance usually operate their services without government subvention.

If these organizations wish to rent units in public housing estates for providing temporary food assistance service for people in need, they can apply to the Housing Department (HD) direct for renting units for welfare purposes

without having to take part in the open tender. The HD, after receiving their applications, will consult the relevant departments. Successful applicants can rent the units for welfare purposes at concessionary rates. At present, some NGOs have rented units of the HD at concessionary rents for operating services providing temporary in-kind food assistance to people in need.

The Social Welfare Department (SWD) is committed to assisting these organizations to identify suitable premises for providing these services. The SWD will also give its support when these organizations apply for premises managed by the HD at concessionary rents for operating services providing temporary in-kind food assistance. The relevant organizations may also apply to the SWD for rent and rates subsidy but certainly, they are required to meet the eligibility criteria and pass the service and financial assessment.

At present, among the service units of the SWD, 20 (including 14 Integrated Family Service Centres (IFSCs)) have established partnership with the food bank operated by St. James' Settlement, helping to expand the network for distributing food to those in need. The SWD is exploring the further expansion of the existing network to enhance timely provision of assistance to those in need more effectively.

The NGOs running these services can also partner the business sector and apply for funding from the Partnership Fund for the Disadvantaged under the SWD. The Fund provides subsidies in the form of a matching grant (which means that the SWD will inject \$1 for every \$1 contributed by the business sector).

Our experience indicates that there is currently no lack of donations of food and other daily necessities from individuals, community groups and business organizations, and the SWD will refer interested donors to the relevant NGOs. The SWD is also exploring with the hotel sector on how the sector can provide greater support in this regard.

On the other hand, individuals or families in need may, at any time, seek assistance from the Medical Social Service Units or the IFSCs under the SWD or NGOs. Social workers will, according to the circumstances of individual cases, render appropriate assistance to the individuals or families concerned, such as applying for charitable trust fund to relieve their temporary financial hardship.

The Government now provides meal delivery service for elderly in need through the Integrated Home Care Service Teams and the Enhanced Home and Community Care Service Teams administered by NGOs. These services are operated with funding support from the Government. The NGOs will charge a modest fee for the service according to the proportion of the elder's household income to the CSSA standard rate payment. Subject to the financial conditions of the elderly, the fee per meal ranges from \$12.6 the lowest to \$18.6 the highest.

The organizations will assist elderly with financial difficulties to apply for CSSA to meet the meal charges. Moreover, some NGOs also operate self-financed community care service in various districts and have set up funds to assist elderly with financial difficulties in meeting the payment for this service.

In respect of the policy on food supply, the principal role of the Government is to ensure the safety and stable supply of food. The Government will continuously enhance communication with the Mainland and other food supplying regions (such as Thailand) and maintain Hong Kong as a highly open economy while upholding the principle of free trade in food import, with a view to stabilizing food supply in Hong Kong. The Government will keep a close watch on the policy on food supply in overseas countries as well as the trend and development of food supply, in order to evaluate on a timely basis the impact on our initiatives to maintain a stable food supply in Hong Kong. The Government will provide up-to-date information on food supply to the sector and the public by all means, so as to enable them to respond to the situation accordingly.

To increase the transparency of prices in an environment where inflation prevails, the Government has provided funding to the Consumer Council to conduct price surveys on goods sold at various retail outlets (including supermarkets and small shops) in certain districts and release the relevant findings on a regular basis to facilitate price comparison by consumers. Products covered in the survey include a dozen kinds of food products and daily necessities, and the results of the first biweekly price survey were already released on 7 May. Consumers are encouraged to compare prices more often by making reference to the price information.

The competition policy of the SAR Government emphasizes the need for competition in order to enhance economic efficiency and free flow of trade, thereby providing benefits to consumers. It also stresses that all

anti-competitive conduct must be discouraged in society. To take forward the competition policy more effectively, the Government is going to introduce a cross-sector competition law to prohibit by legislation anti-competitive conduct.

Deputy President, I have highlighted in my speech the various measures implemented by the Government to assist the low-income group in facing the surge in food prices, provide meal delivery service to the elderly and support NGOs in the provision of food assistance to people in need. I will give a response again after listening to Members' views on this question.

Thank you, Deputy President.

MISS CHAN YUEN-HAN (in Cantonese): Deputy President, there used to be a Chinese traditional custom known as "rice from one hundred households". It means that when a child is one year old, his parents will knock on the doors of one hundred households asking for food from them and then the parents will cook the food for their child. It was said that the child would hence be blessed and protected against disasters.

Today, my colleague, Mr KWONG Chi-kin, puts forward the ideas of "food banks" and "hot food centres" in his motion. These are like the custom of asking "rice from one hundred households", just that the objective of these proposals is to ensure that poor people have the right to live and that they will not suffer from hunger or malnutrition due to poverty in the face of the recent surge in food prices and threats of global food shortage. So, Mr KWONG Chi-kin's motion is proposed from the perspective of humanitarianism — and I stress, humanitarianism — hoping that society can meet the needs of the lower class and the poor people in living and nutrition intake.

Deputy President, I will focus on two aspects in my discussion today. One is the food problem faced by children and elderly in poverty. We understand that the elderly and children are social groups in great need of care by society. The drastic increase in food prices now has quite significantly impacted on them. Take children in poverty as an example. Their families do not have enough money to buy food and they can only eat the leftovers collected on the street to spare themselves hunger. I am a member of the Panel on Welfare Services. The parents of these children said that in general, apart from collecting discarded vegetables in the market, all they can afford to buy is only

some loose bits of pork or very fatty pork. What happens to them now reminds me of the old days when leftover food from restaurants was sold in the market. To put it bluntly, such food is just scraps. I ate a lot of it when I was small. It must be recooked, and my mother was very good at cooking this kind of food as she would add tomatoes to it, making it very delicious even though it was just leftover food from other people's meals. However, I must stress that it was in the 1960s, but Hong Kong is an affluent cosmopolitan city now. How come our children still have to be fed by such food? The subordinates of the Secretary must have heard of these cases, and some parents said that they could not even afford this kind of food. As a result, these children can only eat a light breakfast and a light lunch. How could this happen? How can we solve their problems? Regrettably, these are all true cases.

We all know that children need a balanced intake of nutrition in growing up. The Government has also appealed to the public to consume meat for protein intake, milk for calcium and fresh vegetables for vitamins. The Government has been making this appeal to the people all the time. But do they have the means to buy all this? They can only eat discarded vegetables or leftovers from restaurants because they are poor.

I wish to ask: These are not individual cases, and faced with this situation, has the entire Government thought about these problems? I have listened to the Secretary's speech earlier. He seemed to be saying that we would be fine and the measures introduced by the Financial Secretary have properly addressed the situation. I would like him to explain to us how properly they are addressing the situation. If he can tell us that nobody is buying scrap vegetables or leftover food unwanted by restaurants in the market and if he really thinks that nobody is doing this, then what he has done may be considered to be properly addressing the situation. But that is not the case in reality, because people are still buying this kind of food.

I very much thank a television broadcaster for making the documentary series, "The Story of a Million People". Indeed, these are examples that we can often see in many poor districts, not stories concocted by us here.

Deputy President, when children go to school, they would hope to have more nutritious food, but students often have to pay for the healthy food offered by schools, which means that only students who have the means to pay can be provided with healthy food. What if they cannot afford it? Caterers are hired

by schools to provide food for students, and according to some caterers, given an increase in food prices, they will also face difficulties if they do not increase their price. So, let us take a look at this: A student recipient of CSSA, for example, is provided with a monthly meal allowance of \$200 only, which means that basically he can only spend about \$10 a day. If the caterers increase their price, how can he afford paying for a lunch box? What I tried to point out in this example is just the situation of children who are already covered by the Government's safety net, CSSA, not to mention children of poor families who are not recipients of CSSA. What can they do?

Frankly speaking, they may only bring with them to school bread cut into several portions by their mother or take snacks for lunch. This is tragic and saddening. I will also talk about the situation of university students later on, but I am not going to talk about it now. So, I hope that the Government will provide free breakfasts and lunches for the elderly and children in poverty, so that they can be provided with healthy food, such as vegetables and milk, in accordance with the Government's guidelines on health.

Moreover, Deputy President, I wish to talk about elderly in poverty who are also in need of government support. Many elderly who live on scavenging go home only at dawn, for they have to wait until the shops have closed in order to collect the unwanted stuff. Sometimes when I saw these scenes, I would feel very unhappy and even shed tears. Every night as I watched the scenes in Sichuan and "Story of a Million People", I had a feeling of great unease. I also saw on television one or two elders living in Kwun Tong, and they are people around us with very true stories to tell. Honestly, I think as things have developed to the current state in Hong Kong, the situation would become unimaginable if the Government does not take actions to address the problem squarely.

I wish to make one point which is not mentioned in Mr KWONG Chi-kin's original motion. It is about the meal delivery service for the elderly. What is the arrangement for meal delivery now? The Government does not provide this service, and the providers now charge a fee for this service. Can the Government provide the service for free? CSSA recipients are taken care of by the Government, but for some elderly people in poverty who cannot apply for CSSA for some reasons, what can they do? Can the Government waive the meal delivery fees for them? This does warrant government consideration.

But the authorities are still sitting here, saying that it is enough, it is enough, and the measures are enough. The Financial Secretary also said that it is enough. I must ask him: For what it is enough?

I do not wish to make any more criticisms. Many colleagues will criticize this later on. But I wish to say that when I was drafting this speech and surfing on the net for information, I learnt that even in university canteens, university students are eating leftovers and this has aroused discussion generally among university students on what attitude we should adopt towards these university students who eat leftover food.

If the Secretary does not believe what I have said, he can check it out on the Internet. For what reasons university students have become so poor? Is this place Hong Kong? In the 1960s Hong Kong was a poor society and these cases had really happened, but Hong Kong is nowadays a very affluent society, with the Government hoarding a huge reserve. Why does it not seriously do something, such as providing food coupons or setting up "food banks", and so on? This is the question I wish to ask.

Yesterday, I strongly criticized the Financial Secretary when he attended a meeting in the Legislative Council and yet, he is still referring to the old measures now. What is the use of all these? Let me just cite the transport subsidy as an example. Only four districts can benefit from this subsidy. Will the Government take care of the other poor districts? No, it will not. Regarding the concession provided for electricity tariffs, how can it benefit people living in partitioned rooms? These initiatives entirely cannot produce very significant results.

Deputy President, I so submit.

DR JOSEPH LEE (in Cantonese): Deputy President, nowadays, Hong Kong has become a world metropolis. If we tell other people that some Hong Kong people, especially the elderly and children, still have difficulties in paying for their daily meals, I think many people will consider this unbelievable. But this is really what happens in reality. Let us first look at the relevant figures. According to the latest statistics, there are rough by 720 000 people in low-income families in Hong Kong. Besides, the number of children in

low-income families is often above the average. The lower the income of a family, the more children it has. As we can see, half of the families with four or more children are in the low-income group.

As regards children, statistics in the first quarter of 2008 show that about 140 000 children come from low-income families. In respect of the elderly, there are at least 186 000 CSSA recipients aged 60 or above. In 2006, 32% of the elderly are in the low-income group, of whom 23% live alone. From this we can see that a majority of singleton elderly may be in the low-income group.

From these statistics, it is evident that the children of low-income families and singleton elderly are highly likely to have difficulties in paying for their daily meals. Such being the case, how will the Government help them? The Secretary said earlier that the Government had done a lot, pointing out that assistance had been provided to CSSA recipients, that the Government had provided financial support, that they were provided with meal service, and so on. He stressed that the Government had indeed made a lot of efforts. However, we do see that there is indeed a large group of people making a low income but not receiving CSSA. How can we help them? We are not asking the Government to provide them with sumptuous meals, but at least we must make sure that they are well-fed and have sufficient nutrition.

A few months ago Secretary Dr York CHOW introduced the health care financing scheme, stressing the importance of primary health care. A key objective of primary care is to promote good health among the people at the community level and to this end, we must most basically ensure that people have enough food to eat and the food they eat is nutritious, and this is the way for people to stay healthy. If we see that most people are still exposed to the risk of living below the subsistence level and malnutrition, how can the grassroots maintain good health? Bad health is undesirable for children and the elderly, especially for the chronically-ill elderly, as their health conditions will cause their chronic illness to deteriorate and as a result, they may have to use hospital services more often. All in all, how can the Government support the health care reform now proposed by Secretary Dr York CHOW in terms of food assistance in the context of its social policy, so as to improve the health of the grassroots? In this connection, food assistance is vitally important.

We have looked at the importance of nutrition and food earlier. Let us now look at the situation of the elderly. In respect of the elderly, as we can see

from the statistics of public hospitals, 20% of the elderly are malnourished in the community. Besides, according to dietary tips given by doctors for the elderly, it is best for the elderly to consume a daily average of four taels of meat in order to have sufficient nutrition and remain healthy. Let us look at the price of meat over the past two years. The price of beef has risen by about 50% and that of pork 60%. Even for the less expensive canned food that we commonly consume, their prices have surged by almost 40%. As the Secretary mentioned earlier, the rise in inflation is generally serious as the Government estimated that there may be a double-digit hike in inflation at the end of this year. Imagine: Under such circumstances, can the elderly, especially those with low income who are non-CSSA recipients, really afford consuming four taels of meat a day? If not, how can they obtain sufficient nutrition to meet their basic needs? This is what I am quite worried about.

According to a study conducted by the Tung Wah East Hospital in 2005, 16% of the 120 elderly patients aged over 60 in public hospitals were found to be malnourished after assessment. The study also found that elderly people with mobility problems or those who rely on carers in daily lives are more vulnerable to malnutrition. The Community Geriatric Assessment Team in Eastern District conducted a random sample survey among 300 elderly people in the community in 2006-2007 and found that at least 16% of them had insufficient intake of nutrients and most of them were in the low-income group or living alone. Should the Government not consider how assistance can be provided to them? Can assistance be provided to them simply by delivering meals to them? The Secretary mentioned earlier that meal delivery service is provided by the Government and many voluntary agencies, but let us not forget that as food prices increase incessantly, the quality and portion of meals delivered by the voluntary agencies will drop accordingly. Here, I urge the Government to step up efforts to proactively review the meal service and study whether non-profit-making organizations will encounter problems in their operation as a result of the increase in cost which might take a toll on the quality of their meal delivery service for the elderly. The Government should conduct a review of this and increase its funding where necessary.

As for children, the Secretary said earlier that the conditions of CSSA children are actually very good, because they are provided with free lunches and they can enjoy extra CSSA allowances. But as I said earlier, what about those

non-CSSA low-income families with three or four children? These children, particularly the younger ones between six and ten years of age, are in a prime phase of growing up. From the health perspective, if they do not have a sufficient intake of protein and nutrition, they could suffer from maldevelopment and poor health. If they grow up like this, they would become physically weak and be prone to falling ill. This brings us back to the question that I have just asked: How can the grass-roots community develop good health? Under such circumstances, will the Bureau seriously consider vigorously providing support to these children of low-income families to ensure that they are provided with food assistance, so that they can have a normal and sufficient intake of nutrition?

Regarding food assistance, as the Secretary said earlier, some non-government organizations (NGOs) have also provided this service. As far as I understand it, these NGOs do not operate on government subvention and provide services only to the marginal groups or people in urgent need of assistance. In this connection, I think the authorities should make greater efforts to promote this service. A recent example is that the staff of the Hong Kong Exchanges and Clearing Limited, jointly with the Partnership Fund for the Disadvantaged, made donations to the People's Food Bank operated by St James' Settlement for the project "Heart to Heart" Blessing. The authorities should help these organizations, so that they can do better and have adequate food support. As for food banks, the administrative cost involved is not high, but I hope that the business sector and the community can vigorously sponsor these organizations to do even better. However, has the Government considered making one-off grants to these food banks to facilitate and improve their operation? Overall speaking, I hope that the Government will address squarely the problems faced by children and elderly in the low-income group to ensure that they have sufficient food and nutrition to ride out the difficulties of food inflation. Thank you, Deputy President.

MS LI FUNG-YING (in Cantonese): Deputy President, the inflation more ferocious than a tiger. Last month, the Composite Consumer Price Index registered an increase of 5.4%, and the average inflation rate in the first four months was 4.8%, which is higher than the annual inflation rate of 4.5% projected by the Government for this year. High inflation will certainly affect the people's living, unless their wage adjustment can catch up with the inflation rate or they are financially well off and have sufficient means to counter the surge in food prices. So, faced with the pressure of inflation, the majority of

people hope that their salary adjustment this year can catch up with inflation, which is a most reasonable demand. But after announcing at the end of last year that the salary rise for employees this year should be kept below 2.5%, the Employers' Federation of Hong Kong (the Federation) has recently advised against inflation-pegged salary adjustment for employees. The position of the Federation is no doubt fanning the flames and driving a wedge in society. It is even rubbing salt into the people's wound and stabbing on the back of "wage earners" just when inflation is wreaking havoc. I consider such irresponsible remarks made by the Federation utterly infuriating.

Inflation is eroding the livelihood of the people and as a result, it has become difficult for the low-income group even to pay for the daily meals and live in dignity. In the final analysis, it is all because their wages are lagging far behind their needs in making ends meet. If we, on the one hand, do not oppose the Federation's views but urge the Government on the other to provide relief to the grassroots who cannot make ends meet in times of high inflation, this is no doubt attending to trivialities to the neglect of essentials, equivalent to putting the cart before the horse. To address the problem at root, we must first assure reasonable wages for the public. When we call on the Government to take measures to solve the food problem for the grassroots, it is impossible for us not to urge the Government to immediately enact legislation on minimum wage and standard working hours, so that the reward for the hard work of the grassroots will be sufficient to support their basic needs of living. I think minimum wage and standard working hours are the key to solving the problems of the grassroots, and this, when a high inflation prevails, is even more pressing and obvious. This is what we must emphasize in putting forward any proposal to assist the grassroots.

The motion and the amendments today have proposed for the Government's consideration a myriad of measures for easing inflationary pressure on the grassroots. I think some of the measures will only require small adjustments by the Government to the existing policies in order to relieve the people of their pressure in living. These measures include the adjustment of the CSSA payment rates ahead of the normal cycle, for which the funding application was approved by the Finance Committee last Friday. No doubt this measure is worthy of support, although there is still a lot of room for improvement in terms of its strength and depth. Besides, other policy adjustments that can be made by the Government include the abolition of the seven-year residence requirement under the CSSA Scheme and extension of the

cross-district transport allowance scheme which currently covers only four remote districts. The former has been repeatedly discussed in the Legislative Council, and even if inflation is not a problem, relaxing the eligibility criteria for CSSA still has more pros than cons; and the latter has been a proposal made by me persistently. Faced with rampant inflation and fare increases by public transport operators across the board just this past Monday, the Government should not drag its feet in implementing these proposals. These measures are within the ability of the Government, easy to implement administratively and can be implemented as a start.

Deputy President, some of the new policy initiatives proposed in the motion today can be explored in the context of the Policy Agenda of the Government. Social enterprises are a case in point. A major focus of our past discussion on social enterprises is assisting the unemployed workers to seek employment. Now, the unemployment rate has come down and while this may not have a lot to do with social enterprises, I think where a high inflation prevails, social enterprises can still play an important role. For instance, food co-operatives and food banks must require the concerted efforts of the Government, business enterprises and voluntary agencies before they can operate successfully. The Government is indeed duty-bound to provide facilitation and assistance, with a view to proactively promoting the development of social enterprises.

Thank you, Deputy President.

MR LI KWOK-YING (in Cantonese): Deputy President, under a high inflation rate and globalization of the world economy, the low-income group is the first to bear the brunt. The surge in food prices is a key factor driving up the inflation rate, and as a great majority of food consumed locally is imported from the Mainland which is now plagued by the Sichuan earthquake and inflationary pressure, members of the public are expected to face high food prices continuously over a period of time in the future. People who are financially better off can still change their spending pattern and cut down on some unnecessary expenses, but the grassroots who make a meagre income and can barely make ends meet are unable to cut any other expenditure. If the Government still does not implement focused measures to address the problem of

high food prices, we would indeed be worried that in this affluent society of Hong Kong nowadays, it would soon become a common phenomenon that the grassroots have to tighten their belts because of high food prices.

(THE PRESIDENT resumed the Chair)

No doubt the Government has introduced some measures to provide relief to the people in the budget announced earlier on, including the one-off tax rebate, rates relief, and the innovative ideas of providing electricity tariff subsidy and injecting funds into the Mandatory Provident Fund accounts of low-income workers. However, these one-off arrangements for giving out "candies" cannot fully assist the grassroots to counter inflation, especially in easing the pressure of a surge in food prices on them. Despite the incessant rise in the inflation rate, the Government still has not introduced any specific measure to assist the grassroots to ride out the difficulties.

On the other hand, as the Government has failed to provide any assistance which is long overdue to help address the problem of high food prices, the grassroots can only fend for themselves. Given that the grassroots earn only a limited income, making investment and yielding a return from it to increase their income is certainly not an option to them. All that they can do is to scrimp and save, in order to minimize their living expenses. For example, they will buy food when shops lowered the price just before the close of the market, or they will buy in supermarkets expiring food items on promotional sale, or they will buy vermicelli or cook congee because the price of rice is high, or they will not buy meat at all. In respect of transport, they will travel on foot to avoid the high transport fares. We can even see some poor households taking home unsold bread collected after the bakery closed for business. It is more saddening that, as Mr KWONG Chi-kin has said, some people will even bring their children to country parks to collect the leftover barbeque food beside the barbeque pits.

Although the Chief Executive has undertaken in a Question and Answer Session in the Legislative Council that concrete relief measures will be introduced in the policy address to be delivered in a few months, in view of the

plights of the grassroots in living and the current crisis of food prices, can the Government first implement more focused measures to ease the pressure of the grassroots in living?

At present, the Government has not introduced many measures to provide support to the public in countering the high food prices. What it has done is mainly to provide meal allowances to students receiving CSSA, and in respect of the food problems faced by the low-income group, the Government has mainly relied on a number of local welfare providers operating food banks and hot food centres for the grassroots to provide food assistance to people in need. As the operation of these food banks is primarily funded by public donations, they may not be able to provide stable food assistance to the poor people on a permanent basis given their resource constraints and limited scale of operation.

In fact, the local community aside, all countries worldwide are also under the pressure of high oil prices and escalating inflation, but their governments have actively adopted various means to provide relief to the people and mitigate the adverse impact of rising prices on the people. Take the United States and Singapore as examples. Food coupons are distributed to low-income individuals and families not on the dole for them to buy food. Even the mainland authorities have attempted to curb the rise in food prices caused by inflation by administrative means, such as implementing macroeconomic adjustment measures. The Secretary pointed out in his speech that the Government has provided adequate support in various ways, including the CSSA payments and other grants, adding that food coupons are lagging behind the times and unnecessary. But I hope the Secretary can think about why the poor households still have to tighten their belts and do the many saddening things that I have just said.

Hong Kong is a free economy, but as we lack natural resources, we rely on huge imports of goods and resources. Therefore, it is only understandable that we do not in the least have any bargaining power in the face of a surge in goods prices. But regarding the plights faced by the grassroots in living, we absolutely cannot sit by with folded arms. Since advanced countries like the United States have adopted the measure of distributing food coupons to meet the urgent needs of the people, can the authorities consider following suit? Moreover, given the limited scale of food banks currently operated by welfare

providers, the Government can encourage NGOs to set up social enterprises in the poor districts and provide incentives, such as rent waiver, to enable the NGOs to purchase daily necessities in bulk and then resell them at low prices or even give them away free of charge to poor families in the community as assistance for them.

Madam President, high inflation has already become a crisis faced by the people in living. Taking an overview of countries around the world, we will see that their governments have long taken actions actively to respond to the people, in order to solve the pressing problems of the people and address their needs. How can our responsible SAR Government respond to the food crisis faced by the people only after the delivery of the policy address in October? I hope that today's motion can arouse the concern of the SAR Government about the surge in food prices, so that it can implement focused, pertinent measures in a decisive manner and take practical actions to address the pressing needs of the people.

Madam President, I so submit.

MR LEE CHEUK-YAN (in Cantonese): Recently, there was a very touching television programme "The Story of A Million People" recently, but it is a pity that the Government is not at all moved and we cannot find any new policies targeting these people and helping poor families break away from poverty.

What is the origin of "a million" in "The Story of A Million People"? President, the Hong Kong Council of Social Service (HKCSS) has all along been tracking a number for the purpose of defining a poverty line. The HKCSS has established the poverty line at half of the per capita income, which is very low as all of us can imagine. If an individual's income falls below \$3,000, the amount will be half of the per capita income. The result of our calculation shows that there are 1.25 million Hong Kong people living below the poverty line. Who makes up the majority? Old people certainly. There are 31.8% old people in poverty, so one in three old people is poor. There are 26.1% children in poverty, thus, one in four children is poor. There are evidently more than a million Hong Kong people living below the poverty line,

so if the Government still does not do anything — the Government said a while ago that it has done a lot but it has only taken one-off measures — if it does not carry out institutional reforms, it will not be able to solve the poverty problem.

With a high inflation rate and "inflation more ferocious a tiger" now, the poor people have become even poorer. The major cause of inflation is rising food prices. In the last quarter, the inflation rate of non-staple food was 17.4% as compared with the global figure of 36.8%. We might have an even higher figure later on. There has been a 17.4% rise in food prices and poor people with major spending on food will be more seriously affected when food prices become higher. The whole problem of inflation is a case of the poor people becoming even poorer.

The Government will only be engaging in empty talk if it does not take appropriate measures to solve the problems. Having listened to the whole speech by the Secretary, I found that he was only repeating what was set out in the budget and what Mr John TSANG already said yesterday. I have been briefed on the measures already set out in the budget, but I cannot find anything new. Mr John TSANG even shifted the responsibility onto the Secretary yesterday. Did the Secretary hear that? Mr John TSANG said the Secretary was leading an ad hoc group for solving the problems of the low-income group and the poverty problem of people at the grass-roots level. Has the Secretary as chairman of the group showed us any policy intervention by the Government to alleviate the sufferings of these people? We do not think so.

President, several problems need to be solved and handled and policy intervention by the Government would be very helpful. First, the Secretary has mentioned CSSA. He said that the CSSA payments would be increased by 4.4%, but such an increase carries a lag. Second, I criticized at a meeting of the Finance Committee the other day the way in which the Administration calculated the rate of 4.4%. I later found out that the Administration had calculated the average inflation rate last year. It employed a mathematical tactic in calculating the average of the lower inflation rate before and the higher inflation rate at present, so as to arrive at a lower figure. If it took a shorter period in the past as the basis, for example, if it calculated the average inflation rate in the past half year, I believe the Social Security Assistance Index of Prices so calculated would certainly exceed 4.4%. However, the Administration has taken a one-year period as the basis, which is foul play. The Administration will actually obtain a higher figure after conducting reforms. I do not wish to

see the Administration resorting to mathematical foul play insofar as the poorest people are concerned.

In addition, the Government should make projections. We had the best system before under which higher payments were made in advance based upon projections. Lower amounts would be paid the following year if it was later discovered that too much had been paid. It was a very good practice indeed and I hope the Government would restore the practice to target the poorest and give them better treatment.

The Secretary said a while ago that the Administration has a desirable measure of giving an extra lunch allowance of \$200 to school children. What is the amount of increase? I hope Members would listen very carefully: there is only an increase of \$10, that is, \$0.5 per day on average. How can \$0.5 each day be enough for lunch outside? It is not even enough for lunch boxes at school. Children surely do not have enough money for drinks and they can only have lunch without any drinks; they may hold out this way. Why can we not do better?

President, when we received a group of women at the Complaints Division, we were told one of their problems. A new-arrival single mother has to rely on the CSSA payment for one person. If she has two children, three persons would have to rely on the CSSA payments for two persons. These new-arrival single mothers have lived in Hong Kong for less than seven years, so they cannot apply for CSSA. The Government has said that it will exercise discretion in consideration, how? It would not do so at all. What has the Government told those women? The Government has told them that they must have worked 120 hours before getting the discretionary CSSA payments. There are conditions to be met. Can these women who have to take care of their children and have difficulties in finding jobs meet the conditions? If they are to find part-time jobs, they must find part-time jobs that require them to work three hours a day. Can they find such jobs? They have to put up with hardships otherwise. In fact, if only the Government can make some slight adjustments, many families will be given some breathing spell. But why does the Government not do this? President, the removal of such discriminatory provisions will solve the problems of many.

President, I have a very bad impression of a recent announcement of public interests (API) which discredited CSSA recipients. It shows a few injured volleyball players sitting on the side who did not want to play, and at this juncture, we hear a voice-over saying that Hong Kong is not prosperous because

of these people. President, I ask the Secretary not to do so. If CSSA recipients are discredited this way, they would not apply for CSSA after watching the API. I am asking the Administration to withdraw that API. If the Government wants to help those in need, it should not discredit them while telling them that the Government would offer assistance when they are in need. It is not right for the Government to discredit them in the first place, so I hope the Secretary would do something about this.

Lastly, President, I support Mr KWONG Chi-kin though I also find it quite saddening because Hong Kong today is just like Hong Kong in the past when milk powder was given away. That is not what Hong Kong should be like. The Government should give livelihood subsidies to low-income people, which is similar to the tax credit in the United States. It is a sensible system to give all low-income families subsidies instead of issuing food coupons. I think the Government should subsidize the low-income group. Actually, (*the buzzer sounded*) Thank you, President.

MISS TAM HEUNG-MAN (in Cantonese): Madam President, I recall that my family of 12 was very poor when I was small and all of us cramped together in a very small flat in Tung Tau Estate. Life was very hard at that time and we barely had enough food and warm clothing. At that time, some religious bodies gave away milk powder, canned food and biscuits to the poor. I vaguely remember that we received such relief and were helped by the provision of relief food.

This Council is discussing today the provision of food and nutrition support by the Government to the grassroots, and it is befitting for me to speak on the subject.

We have a high inflation now and everything is expensive, and food prices in particular are rocketing. The prices of buns alone have increased a lot. We have to pay \$3.5, \$0.5 or around 20% more, for the lowest priced pineapple bun. How can low-income people put up with such hardships?

The inflation data recently released by the Government indicated a 5.3% inflation rate in April with astonishingly higher food prices. The price of pork has risen by 60%, beef by 50%, canned food by 40%, cooking oil by more than 20%, rice by more than 10% and vegetables by more than 10%. The price of

formula milk has substantially risen by 20% to 30%, and some parents feed their babies by mixing milk powder with more water. I have not mentioned higher transportation and electricity expenses. How would the life of low-income families be if these expenses also become higher? I dare not imagine it.

Last week, the Finance Committee endorsed the inflation adjustment for CSSA payment rates. The increase in such rates cannot offset the rise in food prices, but the Government has made some efforts after all. But what has the Government done to help the low-waged workers who are not CSSA recipients but who work very hard and rely on themselves. If the Government remains indifferent to their being tormented by high inflation, would it be punishing the self-reliant people?

I interviewed a lady in my district last week. She earned very little and she had to bring up her daughter besides paying rents. Knowing her mother did not have much money, the little girl skipped lunch every day to save some money for the family. The mother did not know that; she knew her growing thinner and weaker daughter fell down very often but she did not know why. She later realized that it was because her daughter was too hungry. This example showed that mothers and children in low-income families do not have enough to eat and wear. How can the Government let this happen?

Madam President, this is precisely why I support providing food and nutrition support to the grassroots. I do not think this should happen in Hong Kong at all. There is a gap between the rich and the poor, and some people who have become senior officials all of a sudden have their salaries quadrupled while some can hardly support their families despite working several part-time jobs. We in Hong Kong have to bow down before the reality.

This will give rise to problems. How can we provide such support? We should issue shopping coupons to low-income families. The adoption of this system by the United States and Singapore long ago can serve as our reference. With this system, the grassroots can buy designated types of goods upon presentation of shopping coupons.

Some may wonder why we should issue shopping coupons. Would it be better for us to give away cash just as Macao did? Have we considered that

those who have received the money may spend the money on other commodities rather than food? In that case, it would be more practical to give away shopping coupons.

Madam President, frankly speaking, inflation is an economic reaction beyond the Government's control and we can definitely not control commodity prices just like the Central Government. The only thing the Government can do in the short term is to try its best to provide people in need with financial assistance. People queued up outside charitable institutions for meals decades ago, and I really do not want the same to happen in Hong Kong again.

I so submit. Thank you, Madam President.

MR WONG KWOK-HING (in Cantonese): Madam President, I speak in support of Mr KWONG Chi-kin's original motion.

I have listened very carefully to the Secretary's response just now. According to the Secretary, the Government has proposed eight measures to alleviate the hardship of people in the light of a considerable fiscal surplus this year. Can the eight measures mentioned by the Secretary replace the six proposals, especially the second and third proposals, made by Mr KWONG Chi-kin? The second proposal of Mr KWONG urges the Government to set up co-operatives, hot food centres or food banks, so as to provide meals to those poor people who have difficulty in paying for their daily meals. The Government should take the lead. Another proposal is exploring the issue of food coupons and meal coupons to those poor people to enable them to have enough food for their daily meals.

Can the eight measures of the Government replace the six excellent proposals of Mr KWONG Chi-kin? I do not think they can. First, the eight measures of the Government should be implemented, but I think not enough has been done. However, Mr KWONG Chi-kin has made the proposals in the hope that the Government can really help those poor people and elaborated how those poor people would be helped.

In this connection, Madam President, many trade unions under the Hong Kong Federation of Trade Unions (FTU) have done a lot over a long period of time without any government support. For instance, some trade unions have

established low-priced canteens for workers around some workplaces. At the most difficult times in the past, we provided limited dishes with an unlimited amount of rice for workers to eat until they were full. We have maintained the tradition of establishing low-priced canteens for workers and we would only consider otherwise when we really cannot support such canteens.

Another example is that we help workers in the collective purchase of cheaper goods such as rice and cooking oil, to lessen their burden and avoid exploitation by unscrupulous merchants. In fact, if the Government can bring its function into full play, it can actually do a lot better. But we as non-government bodies, labour organizations can only provide such services by relying on the unity of workers and our thrifty practices. But they are services after all. The Government is duty-bound to help those in poverty and dire difficulties.

I would like to cite a recent example. In the Mid-autumn Festival just past, we asked voluntary workers to make rice dumplings with green beans, bamboo leaves and glutinous rice donated by some caring organizations. The voluntary workers worked very hard and produced caring rice dumplings with these ingredients and the salty eggs and lean meat paid from their own pockets. The helpful merchants we found cooked the rice dumplings and we distributed these dumplings to poor old people aged over 60. Many old people aged over 60 queued up for these caring rice dumplings. If they lived very well, they would not have to queue up for these rice dumplings. This reveals that the Government has not done anything even though it can do a lot.

Madam President, I would like to bring up an incident not reported in "The Story of A Million People". Some very helpful workers in food establishments working two sessions find when they leave work in the afternoon that some dishes and rice are unsold and it is a great pity to throw them away, so they bring these dishes and rice to the FTU office when they are off duty every day. Some people who have difficulty in paying for their daily meals come to our office for food around the same time every day. This incident was not reported in "The Story of A Million People". Does the Secretary know why the Government should do more and better on top of the eight measures? That is why. The incident I just mentioned would not have occurred if the measures mentioned by the Secretary could solve the problem. If the Secretary is interested, he may tell me so after the meeting and I will show him what really

happened apart from that depicted in "The Story of A Million People" and whether the Government is really duty-bound to help the poor who have difficulty in paying for their daily meals.

I listened very carefully to the Secretary's remarks a little while ago. He said that the Social Welfare Department had contacted hotels. How about their negotiations? I am saying once again that hundreds of hotels and restaurants in Hong Kong serve buffets but a lot of leftovers would be thrown away and wasted. Can the Government collect such food for people in poverty? I am expecting good news.

Thank you, Madam President.

DR KWOK KA-KI (in Cantonese): Madam President, first of all, I would like to thank Mr KWONG Chi-kin for proposing this motion, and Mr Albert HO and Mr Frederick FUNG for their amendments.

I am a doctor by profession, so I am most concerned about the disadvantaged groups especially children and old people in poverty. There are many children in hospitals suffering from slow growth because their families lack the money to provide them with food compatible with their growth rates. There are also many old people suffering from malnutrition and low immunity because they lack the money to buy food items the prices of which have risen sharply. This is not supposed to happen in Hong Kong today as it is stated in the budget two months ago that there is a surplus of \$125 billion, and we are so wealthy that we can return \$4.4 billion to portly businessmen by lowering the corporate profits tax rate; allocate \$900 million for many high-salaried people; and reduce the duty on red wine by \$580 million and hotel tax by \$350 million. If the Government regards pecuniary resources as valuable, the \$6 billion involved is our precious resources. However, the poorest people who do not even have enough to eat are not as lucky as the Secretary who spent more than \$100,000 on two bottles of wine at a wine auction.

I would like to refer Members to the lines from a famous poem: "Behind the gates of the wealthy food lies rotting from waste; outside it's the poor who lie frozen to death". I can hardly imagine that we would still see such scenes in

Hong Kong nowadays. I am not too sure about how hard people are suffering, but I can share my personal experience. A couple of quarters of the hour ago, Mr Andrew CHENG and I went to the dining room to grab a bite, but we only found leftovers there. As I just told Mr CHENG, our experience echoed the subject question of debate for we did not have anything to eat even in the Legislative Council Building.

However, my experience today tells me precisely the situation of miserable people struggling on the poverty line. The Secretary and many senior officials may not be aware of this because a group of newly appointed Under Secretaries and Political Assistants are paid \$100,000 to \$200,000 a month. The Government is not miserly in paying their salaries and it does not mind spending tens of millions of dollars in this connection. Yet, it does not care too much about the poorest who have urgent needs for basic food. Of course, this may not have anything to do with the Secretary because the budget is produced not by one person alone.

The Composite Consumer Price Index last month has risen by 5.4%, which tells us clearly the situation of those miserable people depending on meagre subsidies and assistance for a living. I only know that the prices of staple and non-staple food like pork, beef, cooking oil and rice have doubled and redoubled. Those people do not have much choice and they can only ask for the cheapest items in the market. They will only buy the cheapest things even if the vegetables have leaves turned black or rotten. That is a portrayal of those in poverty. Honourable colleagues may say that those people would at least have something to eat and they would not die eating them. How could the Government be so heartless? Can it not let these poorest people have enough to eat and wear?

We should not forget that, as stated in part (a) of the motion, we are asking the Government to formulate measures for poor students, enabling them to take in sufficient nutrition. The result of a study by the Department of Health shows that students are too fat or in good health, but that is actually not the case for some students. Some children have no alternative but to eat low-priced food with insufficient nutrition that is not conducive to normal growth such as inexpensive instant noodles or food that is not at all wholesome. Actually, the Government has indirectly pushed them into this pass.

The subject of our motion debate today is very special. We knew two days ago that Hong Kong ranked first among the commercial cities in the world. Ironically, there is this poorest group of people who do not have enough food in Hong Kong which ranks among the top commercial cities. I know how hard it is for the motion and amendments to be passed and accepted by the Government. But the most important point is, if a responsible government does not put into effect such simple measures mentioned in the motion and amendments to help the poor get enough to eat and wear, it would be doing a disservice to them. I hope that the Government in response would really make practical efforts for tens of thousands of people in Hong Kong who do not have enough to eat and wear and lack nutritious food regardless of whether the motion or amendments would be passed. There are too many wealthy people and the Government has given them quite enough — much too much, I think — but it has not given due respect and support to those people who urgently need help.

I so submit. Thank you, Madam President.

MR VINCENT FANG (in Cantonese): Madam President, with an upsurge in the prices and a shortage of supply of food and high inflationary pressure, I support taking care of the grassroots, especially the infirm and young children by providing them food of good nutrition.

However, we must tackle the crux of the problem and stabilize inflation and food prices. We need stable channels of supply, and we should maintain an adequate supply, cut down measures giving rise to higher business costs of food operators and relieve inflationary pressure.

The shortage of infant formulae on the market at the beginning of this year is a good example. As a result of the appreciation of Renminbi, some products in Hong Kong were cheaper than those on the Mainland, and quite a few mainland consumers bought such products in Hong Kong for they believed they could buy genuine goods at fair prices here. Since infant formula suppliers determined the volume of supply on the basis of the birth rate in Hong Kong, the sudden surge in demand pushed up prices and all infant formulae on the market were sold out. The problem was readily solved and prices restored to the normal level after negotiations and drug stores, retailers and suppliers had increased the supply. This example demonstrated the importance of a stable supply. The Secretary for Commerce and Economic Development, Mr

Frederick MA, who comes from the commercial sector travelled to Thailand in March and discussed with the suppliers so as to guarantee supply when Hong Kong people were rushing to buy rice. And the fever died down after Chinese Premier WEN Jiabao had assured us of the supply of rice to Hong Kong.

Nevertheless, we cannot always rely on the promises made by the State leaders. In fact, the problem was partly created by the Government. The price of pork has risen by almost 60% this year, precisely because the Government has failed to adopt corresponding measures to increase the supply of live pigs in phasing out the local pig farming industries, leading to a pork shortage and pushing up prices. The Liberal Party has repeatedly made the suggestion that the Government assist Hong Kong businessmen undertaking pig farming on the Mainland in exporting live pigs to Hong Kong. But only one agent has so far been approved by the authorities. Yet, it is reported that the new agent does not rear any pigs for sale in the market. As far as I know, other farmers in Hong Kong have also invested in the pig farming industry on the Mainland. Can the Government negotiate with the State so that one or more agents would be approved and qualified suppliers could immediately export live pigs to Hong Kong?

Another example is the supply of live chickens. The fear of avian flu gripped Hong Kong again and according to the laboratory results recently announced by the Government, six mainland poultry breeding farms and Hong Kong farms were tested negative for the avian flu virus. Thus, the media put the blame on "smuggled chickens". In fact, those with a clear mind would know that the problem of "smuggled chickens" has not emerged overnight. The daily supply of only around 40 000 live chickens that have undergone strict quarantine inspection in the wholesale market cannot meet the demand of the whole territory. Where did the chickens come from? Before the Dragon Boat Festival, the wholesale price of a catty of live chicken was \$20 while the retail price was \$30 to \$40, naturally not affordable to the grassroots. However, the cost of a smuggled chicken which had not undergone strict quarantine inspection was only \$20 a catty. Hence, this induced some people to take the risks.

In the light of unstable meat supply by the Mainland and the fact that there has not been an outbreak of avian flu in Hong Kong for many years, the Liberal Party and the trade has asked the Government time and again to temporarily

increase the supply of live chickens by registered mainland farms so as to reduce the pressure on the prices of live chickens and inflation, and deal a blow to smugglers. Although this is not in the portfolio of Secretary Matthew CHEUNG, we will propose holding related discussions in this Council. If imported chickens are proven not to be the culprit of this outbreak, I hope the Government would increase at discretion the import of live chickens that have undergone strict quarantine inspection on the Mainland to arrest the rise in food prices and ease the inflationary pressure.

Why did I say the Government has helped push up the commodity prices? Honourable colleagues, the rents of the four Wholesale Food Markets of the Government will increase by more than 11% effective this month, even higher than those of The Link REIT. Just because the Government said it has to recover costs recovery, people have to pay more for food.

Today, we discuss the provision of food and nutrition support to the grassroots because an upsurge in food prices has made it difficult for the grassroots to get enough to eat. As I said at the very beginning, to solve the problem, we need stable channels of supply and should maintain an adequate supply, as well as cut down artificial factors stimulating price increases. The wholesale and retail sectors would readily increase supply provided that the Government causes to introduce at this stage measures that will deal a blow to the domestic market and the trades concerned. That way, we can make concerted efforts to curb inflation. I so submit. Thank you, Madam President.

MR RONNY TONG (in Cantonese): President, the Financial Secretary briefed this Council yesterday on the economic indicators for the last quarter. It is most startling that the indicators showed an overall economic growth of 7.1% in the first quarter, but a high inflation rate of 4.9% at the same time. Comparing the two, we find little real growth. The information disclosed by these figures is even more astonishing. The prices of non-staple food such as vegetables we buy from markets have risen by 17%, and the price of pork has increased by over 50% as many Honourable colleagues just mentioned, which is no longer food for ordinary people.

We all know that inflation is terrible and the biggest financial challenge for the grassroots. Why is the Government awaiting its doom and at a loss as to what to do in the face of inflation? We have experienced a very long period of deflation since the reunification, but Hong Kong did have inflation problems before, especially before the reunification, and we should learn from our mistakes. Foresight is the most important tool for tackling inflation.

President, I reminded the SAR Government time and again to face up to inflation late last year, in particular, it should not adopt economic policies that would stimulate price increases or consumer sentiment, lest there should be a higher risk of inflation, but the Government was indifferent. Many Honourable colleagues including those from the Democratic Party have pointed out that inflation cannot be controlled and no country can successfully control inflation.

President, this is true, but the failure to control inflation does not mean the failure to handle inflation or the problems arising from inflation. Talking about food prices, we must tackle the problem, especially its effects on the grassroots, and children or the elderly in particular, from various perspectives. Unlike foreign countries, Hong Kong may not be able to deal a direct and comprehensive blow to inflation by means of interest rates or exchange rates. Nonetheless, we can actually handle the problem very well by taking necessary measures.

For instance, the most important factor affecting food prices is high import prices. The Secretary said earlier that the matter can be handled by increasing competition so that prices would remain at acceptable levels. Moreover, an Honourable colleague has also asked a while ago whether the importers of pork, rice or other staple food can look for suppliers providing less expensive food products in order to ameliorate the inflation problem given increased competition.

The Government should not add fuel to the flames or adopt measures that would push up prices, especially food prices. Members have expressed views on this and the Government should have realized them. The Civic Party reminded the Government again and again not to reduce tax in the light of a huge reserve late last year because tax reduction, one-off concession in particular,

would stimulate consumption instead. It would not only stimulate consumption but also push up the prices of important consumer goods such as food. The Government should not add fuel to the flames, and we should consider how the Government could effectively utilize its wealth to help people face the problems brought by high food prices amid inflation.

This involves the Government's philosophy of governance and values. With a fiscal reserve of more than \$1,000 billion and a surplus of more than \$100 billion, our affluent Government offers the lofty high-salaried group a tax rebate of \$4.4 billion, but it is unwilling to introduce more measures to help the grassroots. Last week, we discussed the proposed increase in meal allowances for children from low-income families, which only involved \$10 more a month or \$120 more a year. Taking into account the fact that a Political Assistant has a monthly salary of \$140,000, I do not think anyone would believe that the Government would be so generous to its trusted followers but so mean to the people. Why can it not use tens of millions of dollars to help people in an abyss of sufferings pay for highly priced food?

President, human beings do not only rely on food for nourishment, and we always need nourishment for the mind and religious nourishment. Frankly, we cannot talk about ideals with empty stomachs. Food is our basic need and if the Government fails to fulfil its responsibilities of taking care of the general public insofar as this basic need is concerned, how can it talk about nurturing political talents and investing in the next generation? President, I think the Government has to review its philosophy of governance, in particular, it should reconsider how it is going to tackle inflation.

It is a pity that only the Secretary is present today. I am not saying that the Secretary does not know how to answer these questions, but if Secretary MA or Secretary Prof K C CHAN is here, he could also respond to Members' remarks on economic problems. Thank you, President.

MR TAM YIU-CHUNG (in Cantonese): President, at present, all countries and regions except oil producing countries are facing the problems of spiralling oil and food prices. Being reliant on imports, Hong Kong cannot evade these

problems. I have just returned from Taiwan. A meeting with a minister in charge of economic affairs was originally arranged yesterday, but he could not turn up at the last moment. According to some officials, the minister went to the Legislative Yuan instead because the Legislative Yuan was recently attacking the ruling party for the commodity prices and inflation problems. Evidently, all of us are facing similar problems. I wanted to know how Taiwan would solve the problems and I asked the academics and officials accompanying us for their solutions. They did so very differently. The Straits Exchange Foundation (SEF) of Taiwan is discussing with the Association for Relations Across the Taiwan Straits (ARATS) of China direct chartered flights between both sides of the Strait and mainland travellers visiting Taiwan. They earnestly hoped that a bilateral agreement would be reached in order to boost confidence in economic development. They also hoped to divert people's attention away from commodity prices. According to the academics' analysis, it would be helpful so long as people have confidence in the future.

How about Hong Kong? The SAR Government proposed eight measures in the budget as the Secretary mentioned earlier, but people have actually not received any money as a result of these measures. According to the timetable provided by the Financial Secretary, some measures would be taken in July and some in August, while most measures would be implemented between July and August. The Finance Committee of this Council approved the funding sometime ago, but because the Government has various procedures and tasks in progress, the public has not received the money yet. Nevertheless, it seems that these measures are very inadequate and the Government should consider other new strategies to tackle the problem of soaring prices. In the light of escalating inflation, basic living expenses such as the price of rice has increased by over 20%, cooking oil by over 80% and pork by over 50%. In other words, we have no alternative but to put up with heavier and heavier burdens, which is really worrying. These worries put pressure on us and become our burden in living, how can the problems be solved? Many people are trying to live frugally and cut spending.

Given the high commodity prices, the hardest hit must be the grassroots most and the greatest pressure must be on CSSA recipients, new arrivals not yet qualified for CSSA and poor old people. The Government has undertaken in

the budget to provide one additional month of standard rate CSSA payment and to provide each Old Age Allowance recipient with a one-off grant of \$3,000. Some old people are particularly clear-minded and an old person asked me last Saturday why they got the "double pay" (one additional month of standard rate CSSA payment) very soon last year but so late this year. I could not give him an explanation and I could only tell him that some procedures might have to be completed, but they would get the money anyway. The Government promised to make payment in July, and I really hope the money would be deposited into their accounts in July. They are keyed up because they can't wait for the money sooner to lessen their burden and meet their expenses.

Meanwhile, the new arrivals at the grass-roots level are facing tremendous difficulties. Under the existing CSSA policy, new arrivals having lived in Hong Kong for less than seven years cannot get any assistance. Although the Government would exercise discretion in line with the policy, to the best of my understanding, it does so with care. Sometimes, new-arrival parents not qualified for CSSA can only rely on the CSSA payments received by their children who are so qualified to make ends meet. As Members can imagine, with nominal CSSA payments, they would have to bear a heavier pressure of living when there is inflation. How can the Government help these new arrivals who are not qualified for CSSA tide over difficulties?

Besides, we all know that old people in poverty have no income. Although the Government is going to give them \$2,000 to \$3,000 more, it is only an expedient measure. I really hope the Government will seriously conduct a review late this year to help the elderly in poverty. I also hope the Secretary would seriously consider such proposals as the elderly livelihood subvention scheme proposed by the DAB.

In spite of the fact that our economic environment has improved and is developing, some data showed that there has been an increase in the number of low-income households instead. As life has grown harder for the grassroots as a result of rising commodity prices, the Government must adopt novel measures to provide sufficient food and nutrition to these people.

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

MR LEUNG KWOK-HUNG (in Cantonese): President, the subject of the motion "Providing food and nutrition support to the grassroots" made me believe that we are having a debate in a Third World assembly or Somalia. Hong Kong is part of Nylonkong (New York, London and Hong Kong). The Government has given a very simple answer, that is, it will pay cash because it will backtrack if it provides food. Has the Government considered that the cash it paid cannot buy a lot of commodities or can only buy fewer and fewer commodities?

Why do the poor have to talk about nutrition and food? They are poor and they spend a lot on food, as indicated by data from different sources worldwide. What problem is Hong Kong facing? All low-income people and CSSA recipients have not enough food amid the inflation, and they have to resort to asking the Government to give away food. The Government is worried that people might spend the money they received carelessly. If it gives away food to the people to eat, then it need not worry about them spending the money carelessly. This is very simple logic.

While providing food and nutrition to the grassroots, the Government should provide some food and nutrition to the officials — nourishment for the mind and nutrients for civilization. Why are things obvious to all beyond the imagination of the officials in Hong Kong? As the remarks recently made by the Government revealed, the Government labelled CSSA recipients as lazybones and took the lead to discriminate against the poor and the low-income group.

We have lately been introduced to a couple of new Under Secretaries and Political Assistants who have insufficient nutrients for civilization and nourishment for the mind. When we asked the Government to help the poor, it told us that it could not do so for it lacked money. Where do the salaries of the Under Secretaries and Political Assistants come from? Why is Hong Kong still giving away comprehensive political security assistance? I am not kidding. According to press reports, those who know Mr Norman CHAN would be paid more. Is the Government not giving away money to these officials while claiming it lacks money?

President, the T-shirt I am wearing today has the words "helping hand (援手)" on it. Regardless of how the word "援" is pronounced in Cantonese, the matter is pretty simple. If a person has fallen into a river or a well, we should

give him a hand and pull him up. Now, some people have insufficient nutrients and food, but the Government has not handled the urgent matter; it has racked its brains for two weeks on the quiet for methods to deal with and cheat people instead. What is it doing? This Council will have to face these people in future, and an Under Secretary and a Political Assistant is going to work closely with the Secretary. They are now putting on political make-up; let me see what mummies wearing make-up would look like. Political mummies would look even worse after putting on make-up and the Government can hardly conceal its being unscrupulous.

We have discussed the Sichuan earthquake before and we are still talking about "helping hand" today. I am wearing this T-shirt today because I would like to remind Hong Kong people of this. Has the Government reminded Hong Kong people that there are poor people among us? All of us except the Government have said that there are poor people in our community. Even if it is proven that there are poor people, the Government will say that the problems lie with the poor but not society. Mencius also talked about "helping hand", right? He talked about giving a hand. According to Mencius, "suppose a man were, all of a sudden, to see a young child on the verge of falling into a well, he would certainly be moved to compassion", and he would save the child. Around 80 000 people are on the verge of falling into the well of poverty, has the Government extended a hand? The Government is extending its hands to those who have asked for higher pay despite their claiming that they have not accepted official appointments because of money. One of them remarked that he does not like money, but he would like to have more money.

Some of them have said that they are going to work for the Government and for Hong Kong, but they can only let us know their salaries and whether they have passports in two weeks' time. Even God created the world in less than one week; it only took him six days. What would happen if these officials have to handle matters of importance in the future? How are they going to save people if they need two weeks to consider matters concerning themselves personally? Mr Donald TSANG at a much higher level has asked us not to question these officials for they are acting according to principles. The Government observes principles requiring the subordinate officials not to go into details. He then told these subordinate officials to speak up although he himself did not speak out. Subsequently, the fatherly Mr Donald TSANG met the public leading a group of

officials wearing a long face. Fatherly love was shown although there was no political blood relationship between them. Is anyone going to believe that?

The Chief Executive attaches importance to team spirit, and he initially said that individual officials would be speaking. In the end, all of them met the public under the leadership of the Chief Executive who made a speech. What government do we have? The Government has worked so hard on the so-called enhanced accountability system founded on pork barrel politics and has spent so much for the purpose. Can such a simple problem be solved in this political shrine? We are now talking about some people having insufficient food and nutrition but the Government does not intend to solve the problem. Those spin doctors only applied make-up to mummies and those unwell should not seek consultation from them. Why? They said they would treat the head but they treated the foot instead; they said they would treat the foot but they treated the head instead.

What is our ill? The Government has given the rich more resources and reduced their taxes but severely scolded the poor who would like to get more. It is a disgrace to the Government for Members to discuss today whether Hong Kong people have enough food and nutrition. We should think twice.

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

DR FERNANDO CHEUNG (in Cantonese): My feelings are a bit similar to those of Mr LEUNG Kwok-hung. President, when we read this motion subject today, we really could not help heaving a sigh. What we are talking about now is that people have to "collect leftovers at the back entrances", and "children and the frail elderly suffering from malnutrition". Now we are calling on the Government to provide assistance by distributing more food to those poor people who have difficulty in paying for their daily meals, so as to provide them with meals as well as basic food and oil supplies.

We are in the 21st century now. Hong Kong is the world city of Asia; we have boasted of our astounding economic achievements in the past, that we are one of the four little dragons in Asia and that we are "Nylonkong" now.

Everything has been said indeed to sing praises of our economic prosperity and remarkable achievements made on various fronts. But what are the problems that we are discussing now?

President, disaster relief seems to have become a popular trend recently. Many natural disasters have occurred in the Mainland and it was just some time ago that Hong Kong was hit by a rainstorm. Seeing those scenes one after another, we are really not sure about whether the clock has been turned back to some point in the past.

These situations are imaginable in places where the economy is comparatively backward but with Hong Kong's economic achievements today, how come things will develop to such a sorry state? What we are talking about is that there are many poor people who do not even have enough food to eat. What exactly is the problem? We have outstanding health care services of world-class standard; our social services are said to be among the most advanced in the world; and certainly, we have also invested heavily on education. But our people do not even have enough food to eat now. No doubt the surge in food prices, inflation or fuel price is a global trend, but why has Hong Kong developed to such a sorry state? In the final analysis, does it all boil down to the wealth gap problem?

President, according to calculations made by the Hong Kong Council of Social Service on the basis of the international poverty line, 20% of the households in Hong Kong live in poverty. One fifth of the families in this "Nylonkong" live in poverty. What kind of "Nylonkong" is it? Is this the Hong Kong which deserves our pride? Since we have made such great economic achievements nowadays and we have a record growth of 5% to 6% in GDP, which is very remarkable indeed, why are there one fifth of the families living in poverty? In these families there are many children and elderly. Today, we hope that CSSA can provide assistance to them, but the Government has taken the lead to discriminate against the poor people as it has produced Announcements of Public Interest (APIs) for showing on television, accusing some people of making all pretences and their reluctance to leave the safety net. President, I wonder if you have watched these two APIs which basically described the CSSA recipients as very lazy people who shun work and pretend to be poor and who have abused this system.

President, there are now 300 000 CSSA households, 50% of which are elderly households, and the Government is aware of this. Over 10% of them are households of people with disabilities and the chronically ill, and over 10% are single-parent families. The rest of them are what we refer to as the able-bodied who are employable but jobless, and they account for about 10% or around 11%. The Government said that these people have been abusing the system, that they have pretended to be poor, and so on, and it has even produced such APIs. I really have not seen a government providing social assistance to the poor people on the one hand but showing publicity films on television accusing these people of deceiving welfare payment purposely on the other. I have never seen publicity films which promote a welfare scheme to help the poor people in such a way. What is the purpose of all this?

President, despite that our economy is so prosperous and our society so advanced nowadays and we have become a model for the Mainland in many areas, I do not see what use there is for us to have such a high level of economic efficiency and achievements. I have no idea what purpose they can serve. If we have one fifth of the families living in poverty and if many of them cannot even be spared hunger when inflation surges, what is the use of this Government? What is there for us to be proud of? Now, we have to rely on these organizations to provide assistance on their own initiative, and this is like going back to the time when international relief organizations came to us in the past, as those organizations, such as the Methodist and St. James' Settlement, have set up food banks one after another. President, I have talked to these organizations and they are actually facing a lot of problems, too. For example, they cannot identify suitable places — I understand that they are identifying places and honestly speaking, the Government can provide some better places for them — and they lack manpower and resources. Their centres have a high patronage, and the number of patrons is ever increasing because there are many poor people seeking their assistance. St. James' Settlement alone provides food to over 400 people on a daily basis. President, they have only three staff members. They have been doing their utmost with such a tight budget, with food mainly donated by the public. I do not know what this Government is used for.

On this T-shirt of mine two Chinese words "援手" (meaning a helping hand) are printed in relation to the Sichuan earthquake and disasters in the Mainland. Premier WEN had written four Chinese words, "多難興邦" (meaning disasters make a powerful nation), and I have very strong feelings about this. I think: Why should we need disasters? For whom do we build a

powerful nation? Is it a must that we will be awakened only after many disasters? Is this the destiny of the Chinese nation? Even if we have a powerful nation, like Hong Kong with its great economic achievement nowadays, who will benefit from it? Can the poor people benefit from it? They do not even have enough food to eat.

President, I speak in support of the motion and all the amendments.

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

MR ABRAHAM SHEK (in Cantonese): President, I did not intend to speak originally, but after listening to Honourable colleagues' remarks, I really hope the Government would later answer all our questions and tell us it is not true that one fifth of our population do not have enough to eat and wear.

If the Government cannot answer our questions, it should listen very carefully to Honourable colleagues' remarks and find a clue to the source of the problem. We have to conduct a careful review to find out what is wrong with our society if that has really happened in a prosperous society recording economic growth. Inflation is a worldwide problem but, as Dr CHEUNG has just said, it is humiliating to Members and the public if one fifth of the families, old people and children do not have enough to eat. That should not happen in our society. Would the Secretary please tell us later that is not true?

If we encounter such difficulties during a time of economic prosperity and while having such a surplus the motion proposed by Mr KWONG today makes a humble request, not asking the Government to adopt long-term measures but only asking it to solve the financial problems of the public. If the Government fails to do so, we have to review if this is a civilized society with a civilized government.

President, as far as I can recall, we received from the church such things as milk powder, mouldy chocolates and biscuits when we were small. I believe many Honourable colleagues must have eaten those things before, and even

relied on such food to grow up. Everybody was very poor at that time and it was not disgraceful to be poor. Yet, it is pathetic and humiliating if some people do not have enough to eat and wear nowadays.

I do not want that to happen. The economic results of this impartial society of ours should be shared by all, both the rich and the poor. We must sort out the problem. I am not criticizing the Government, but I think it should have listened to our views and do something.

I support this motion. Thank you, Madam President.

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

MR ALBERT CHAN (in Cantonese): President, the problems confronting the poor have been discussed in this Chamber for many years. I believe this is the most frequently quoted line here in this Chamber over the past decade or so, "behind the vermilion gates wine and meat turn to waste while out on the road lie the bones of those frozen to death", since I have heard about it for more than 10 times. Not only has the poverty problem confronting Hong Kong become international news, the growing disparity between the rich and the poor has also become a grave problem.

Many friends of mine have illustrated in this Chamber, through the Sichuan disaster, some of the problems. It was pointed out by the parents of the dead during their petitions after the Sichuan earthquake that "man-made disasters are even more detestable than natural calamities, which are unavoidable", because the deaths of a number of students were simply caused by shoddy construction works.

Actually, Hong Kong's poverty problem and the problem of poor families and the elderly suffering from inadequate food and nutrition are attributed to a man-made disaster, which is even more detestable, and the culprit responsible for this calamity or man-made disaster is our government policies. In handing public resources, senior government officials have not only made the mistake of uneven distribution, but also disregarded the needs of the elderly and the genuine

need of the grassroots, thereby contributing to this man-made disaster. With a surplus of more than \$100 billion, it is detestable that the general public and the poor in Hong Kong should still endure hunger and suffer from malnutrition.

President, this is what happened to me in Canada 30 years ago — it actually happened 35 years ago. I was deeply impressed because I learnt from some of my friends that their families were given milk allowance by the Canadian Government. A special allowance would be given to families with children for purchasing milk. This is what impressed me 35 years ago.

What about families in Hong Kong? What is the situation of CSSA families? With a monthly payment of \$1,400, what can they buy? The monthly payment of \$1,400 applies to all recipients, whether infants or teenagers, and covers everything, including clothing, food, and transportation, except housing. The Secretary may probably say that if they are short of money, they would not eat junk food at McDonald's or be unduly influenced. With a monthly payment of \$1,000 or so, what food can they buy? In the 1990s, the Social Welfare Department and the Health and Welfare Bureau were requested by Members in this Chamber to explain the distribution of CSSA rates, especially in respect of food, and how food expenses for CSSA households were calculated.

I have interviewed quite a number of CSSA households, and I felt deeply when I saw their food. Many households in Tin Shui Wai travelled to the Mainland to buy food two or three days weekly. This is nothing unusual in Macao because many people there go shopping in Zhuhai because of the proximity of Macao to the Mainland. It is surprising that many people in Hong Kong also go shopping in Shenzhen with their trolleys for such foodstuffs as oil, salt, rice and vegetables. About one or two months ago, I made an arrangement for the BBC to interview such a household. The reporter was greatly surprised and asked why Hong Kong people had to travel to Shenzhen to buy groceries. The old man being interviewed replied that people had to go to the Mainland weekly to buy rice because the price of rice on the Mainland was only one fifth of that in Hong Kong. Although he is more than 70 years old, he has to travel to the Mainland weekly — not to go northward to have fun. Secretary, senior government officials may probably enjoy going northward to have fun, playing

mahjong in a villa they bought on the Mainland and then hiring someone to do the chores and prepare lavish feasts in the evening to entertain their guests.

I believe it is absolutely impossible for the Secretary to really experience the plight confronting the grassroots in Hong Kong. If the Secretary is interested, I may make an arrangement for you to visit the grass-roots families to understand their daily life and find out what they eat. Sometimes, they may divide a dish of vegetable for three days. The person interviewed by the BBC said that the dish of vegetable he was having had kept him going for three days. After the meal, he would cook it for a while and then put it back into the refrigerator. This is nothing unusual. Secretary, families in Hong Kong are made to endure these sufferings under the financial arrangements and CSSA ceilings formulated by the Policy Bureau under your leadership.

President, I have just returned from the Sichuan stricken areas. When I was there, I was fortunate to be invited to visit a school and join the students there for lunch — to eat the meal left by them. The meal we had in this school in a stricken area consisted of four dishes with soup. Of course, the meal was very simple, and there were no delicacies. However, it may not even be possible for CSSA households in Hong Kong to have a two-dish meal with soup, not to mention a three-dish meal with soup, or a four-dish meal. Their dishes are eaten over and over again, in the morning as well as evening. If the dishes are not finished, they will be kept till the next day. This is what happens in Hong Kong. Of course, there is a lack of the so-called balanced nutrition in the dishes. I believe children on CSSA seldom have the opportunities to drink milk. This is the plight confronting the children in Hong Kong under the Secretary's leadership.

I hope the Secretary can look closely at the current social condition and examine the plight confronting the grassroots in Hong Kong. So long as this problem is not resolved and ameliorated, the Government should refrain from promoting its benevolent administration. Man-made disasters are the most detestable because of the senior officials' disregard for the plight confronting the grassroots. Man-made disasters are no different from the damage done by natural calamities. I hope the Secretary can, when awoken from his dream in the middle of the night, ponder over the sufferings brought about by the man-made disasters attributed to him.

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 Mr KWONG Chi-kin to speak on the three amendments. The speaking time is five minutes.

MR KWONG CHI-KIN (in Cantonese): President, three Members, namely Mr Albert HO, Mr Frederick FUNG and Mrs Selina CHOW, have proposed amendments to my motion. Simply put, the proposals put forth in their amendments include adjusting CSSA rates, increasing the amount of Old Age Allowance, avoiding producing a labelling effect on the grassroots in the course of helping them, ensuring an ample supply of food, monitoring and enhancing the meals provided in residential care homes, and so on.

As these several amendments do not conflict with my original motion and do make up for the deficiencies of my motion, I will support them. Thank you, President.

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): Madam President, once again I thank Mr KWONG Chi-kin, Mr Albert HO, Mr Frederick FUNG, Mrs Selina CHOW and the other 15 Members for their valuable views on the impact of the surge in food prices on the low-income group. This motion debate today is good-natured and well-intentioned, and reflects the concern of Members of this Council over this issue.

I fully appreciate Members' overall concern about the low-income group. Here, I wish to emphasize once again that the Government, like Members, has all along been very concerned about the needs of low-income families and individuals. We have taken a positive, pragmatic and practical attitude and policy to address and respond to the problems, with a view to providing them with a safety net and various forms of support to meet their basic needs of living and improve their lot.

I wish to briefly respond to the comments made by Members earlier in their speeches.

First of all, I wish to talk about the Comprehensive Social Security Assistance (CSSA) system. As Members all know, the CSSA system is set up to provide a safety net for Hong Kong residents who cannot support themselves financially to meet their basic needs of living. The CSSA is a non-contributory, means-tested scheme. As at the end of May this year, there are about 489 000 recipients of CSSA, and the estimated expenditure for the CSSA Scheme is \$17.3 billion in 2008-2009.

The Government will adjust annually the standard rates of CSSA and the social security allowance according to the movement of the Social Security Assistance Index of Prices (SSAIP). We consider that the CSSA standard rates have already covered the basic needs of recipients, and the existing review mechanism has accurately reflected the expenditure and living patterns of recipients to ensure that the purchasing power of the payments made to the recipients can be maintained.

I wish to stress that under the CSSA Scheme, there are other supplements apart from the standard payment. For example, a single-parent family is provided with \$245 monthly and a range of special grants. A four-person family, for instance, may receive housing and related allowances at a maximum of \$3,545 monthly. On education expenses, school children may receive various kinds of special grants in accordance with their circumstances to cover school fees, fares to and from schools, examination fees, meal allowance, and so on. Take a junior secondary student as an example. He may receive an allowance at a standard rate of \$3,810 to meet the costs of books, stationery, school uniform and other miscellaneous expenses for a whole school year.

We consider that the present rate of CSSA payment can meet the basic needs of living. For example, a four-member CSSA family without any income can receive on average a monthly CSSA payment of \$9,451, and this amount has not yet taken into account the 4.4% increase which has just been approved by the Finance Committee to take effect on 1 August. We have no plan to conduct an

overall review of the CSSA rates at this stage, but we will closely monitor the movement of the SSAIP, in order to maintain the purchasing power of the CSSA payment.

Some Members proposed that inflationary adjustments to the CSSA rates and grants be made on a more frequent basis and the "fruit grant" to the elderly be increased to enable the recipients to buy sufficient food. As I said earlier, the Social Welfare Department (SWD) will adjust annually the CSSA standard rates according to the movement of the SSAIP, and the SWD will also adjust the other special grants under the CSSA scheme according to the established mechanisms to ensure that the purchasing power of the CSSA payment can be maintained. On 1 February this year, the CSSA standard payment rate was adjusted upward by 2.8% according to the movement of the SSAIP, and Members are already aware of this.

Recently, we have adjusted the rate upward by 4.4% ahead of the normal cycle and the new rate will take effect from 1 August. This is precisely a step taken by us to respond to the community's aspiration and it also reflects our appreciation of the inflationary pressure on the public.

The Government appreciates the impact of high inflation on beneficiaries of social security schemes. On 16 May we sought funding approval from the Legislative Council Finance Committee for providing one additional month of CSSA standard payment and Disability Allowance payment. Moreover, to enable the elderly to share the fruits of economic prosperity and ease the pressure of inflation on them, we will make a one-off grant of \$3,000 to each recipient of the Old Age Allowance. Let me stress again that the \$3,000 grant and one additional month of payment will be made to CSSA recipients and the elderly next week.

Those who cannot support themselves financially, including the low-income earners, can apply for CSSA to meet their basic needs of living. The CSSA safety net provides cash assistance for recipients to meet the basic expenses of living flexibly.

Besides, some Members proposed to review the weighting of food in the SSAIP. I wish to point out that the SWD will conduct a household expenditure survey for CSSA households once every five years to update the weighting

system of the SSAIP, in order to ensure that up-to-date expenditure patterns of CSSA households are accurately reflected in the compilation of the SSAIP. The last CSSA household expenditure survey was conducted in 2004-2005, and the results of the survey relating to updating the weighting system of the SSAIP were submitted to the Legislative Council in August 2006.

Amongst all consumption items in the current SSAIP, food is already a major component accounting for about 55%, which has adequately reflected the weighting of food expenses.

We consider that the CSSA standard payment rates have already covered the basic needs of recipients, and the existing review mechanism has reflected the expenditure and living patterns of recipients. We will adjust the CSSA standard rates in accordance with the inflation/deflation rate to ensure that the purchasing power of CSSA payments can be maintained.

A Member requested the Government to ensure that the meal delivery service provided to the elderly by welfare agencies will not be affected by inflation. I am also very concerned about this. I wish to point out that for services subvented under the Lump Sum Grant (LSG) subvention system, the amount of subvention is adjusted annually in line with changes in the Government-wide Price Adjustment Factor for meeting the expenses on food, transport, facilities, and so on. Therefore, the rise in food prices will be reflected in the annual adjustment of the LSG subvention. The SWD's subvention for the relevant organizations in 2008-2009 was increased in April with reference to the movement of the Government-wide Price Adjustment Factor that I have just mentioned.

As regards contract service, suitable adjustments will be made to the contract service fees annually with reference to the movement of the monthly average Composite Consumer Price Index published by the Government.

We will closely monitor the impact of inflation on social services. The SWD issued a letter to welfare agencies providing meal delivery service in April this year, reminding them that they can deploy flexibly their LSG subventions or contract service fees or even their LSG reserves according to their needs, in order to maintain the quality of their service and cater for the individual needs of the elderly. In addition, the SWD sought a one-off grant of \$200 million from the Lotteries Fund in March this year to assist non-governmental organizations

(NGOs) to meet the challenges in recent years and also the demands for their service, and the SWD will allocate the funding to the NGOs at end-June. Organizations facing particular difficulties can bring up their problems for discussion with the SWD anytime.

I would like to respond to the question of food supply. Mr Vincent FANG was particularly concerned about this when he spoke earlier on. The Food and Health Bureau will maintain close liaison with the relevant authorities in the Mainland and agents of foodstuffs and monitor closely the supply of food from the Mainland to Hong Kong.

The Food and Health Bureau has all along kept a close watch on the supply and prices of major items of foodstuff at the import, wholesale and retail levels, in order to understand the market situation. Take the supply of live pigs which is of great concern to Hong Kong people as an example. The Ministry of Commerce has agreed that through its Special Commissioner's Office in Guangzhou, the SAR Government will be notified on a daily basis of the quantity of live pigs to be supplied from the Mainland to Hong Kong the following day, and this information together with the highest, lowest and average auction prices have been made known to the public since January this year to enhance the flow of information and transparency in the market.

Apart from providing information on the supply of live pigs, the Agriculture, Fisheries and Conservation Department has since January this year uploaded onto its website information on the supply and wholesale prices of a wide range of foodstuffs. The information, which will be updated on a daily basis, enables the public to have a full understanding of the supply and wholesale prices of foodstuffs on the day. Making public the wholesale prices will minimize undesirable price manipulation practices while enabling consumers to keep abreast of the movement of market prices.

The Mainland has all along attached great importance to maintaining a stable food supply to Hong Kong and endeavoured to meet the needs of Hong Kong. For example, efforts have been made to maintain a stable daily supply of live poultry to Hong Kong and increase the supply on major festive days. The liaison mechanism between the Government and mainland authorities has been

operating very effectively. On previous occasions when there were problems with food supply, the mainland authorities could often respond positively to requests made by the SAR Government.

Finally, I wish to talk about food banks. In fact, this topic will be discussed in detail in the Panel on Welfare Services tomorrow. However, I wish to reiterate that we will make the utmost effort to assist the relevant NGOs and work in concert with them to promote this service, with a view to providing as much assistance as possible to people in genuine need. As for those who truly have difficulty in paying for their daily meals, we are prepared to help them and we will proactively provide assistance to them. As I mentioned earlier on, we have provided assistance through the Partnership Fund for the Disadvantaged under which the SWD will provide \$1 for every \$1 sponsored by the business sector, in the hope that with the tripartite efforts of NGOs, the business sector and the Government, the problems faced by people who truly have difficulties can be solved.

All in all, we will continue to closely monitor the impact of rising food prices on the low-income group and adopt a multi-pronged approach to assist the low-income earners and cater for their needs of living.

Madam President, I so submit. Thank you.

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 KWONG Chi-kin's motion be amended.

Mr Albert HO moved the following amendment: (Translation)

"To add ", as" after "That"; to delete "for setting up" after "remote districts" and substitute with ", collaborating with voluntary bodies to

establish social enterprises,"; to add "to sell food at low prices or even give it to poor families for free" after "hot food centres or food banks"; and to add "making inflationary adjustments to the Comprehensive Social Security Assistance rates and grants on a more frequent basis, and increasing the amount of Old Age Allowance to enable the recipients to buy sufficient food, as well as" after "(c)".

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Mr Albert HO to Mr KWONG Chi-kin'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): Mr Frederick FUNG, as Mr Albert HO's amendment has 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 FREDERICK FUNG (in Cantonese): President, I move that Mr KWONG Chi-kin's motion, as amended by Mr Albert HO, be further amended by my revised amendment.

Mr Frederick FUNG moved the following further amendment to the motion as amended by Mr Albert HO: (Translation)

"To add "; (g) immediately reviewing the Comprehensive Social Security Assistance system to ensure that poor people who have difficulty in paying for their daily meals can also be protected by the safety net; and (h) ensuring that there will be no labelling effect on the grassroots in the process of formulating measures to assist the grassroots in countering the surge in food prices" immediately before the full stop."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That Mr Frederick FUNG's amendment to Mr KWONG Chi-kin's motion as amended by Mr Albert HO, 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 Selina CHOW, as the amendments by Mr Albert HO and Mr Frederick FUNG 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.

MRS SELINA CHOW (in Cantonese): President, I move that Mr KWONG Chi-kin's motion, as amended by Mr Albert HO and Mr Frederick FUNG, be further amended by my revised amendment.

Mrs Selina CHOW moved the following further amendment to the motion as amended by Mr Albert HO and Mr Frederick FUNG: (Translation)

"To add "; (i) maintaining close contact with Mainland suppliers to ensure that there is an ample supply of various types of food, foodstuffs, materials and livestock, so as to avoid a surge in food prices due to shortage of supply; (j) strengthening the monitoring of and support to nongovernmental organizations to ensure that the quality of meals delivered to the elderly and that provided in residential care homes for the elderly will not be affected; and (k) expeditiously reviewing the weighting of food in the Social Security Assistance Index of Prices so that recipients of Comprehensive Social Security Assistance can maintain their purchasing power for food" immediately before the full stop."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That Mrs Selina CHOW's amendment to Mr KWONG Chi-kin's motion as amended by Mr Albert HO and Mr Frederick FUNG 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 KWONG Chi-kin, you may now reply and you have five minutes 58 seconds.

MR KWONG CHI-KIN (in Cantonese): Madam President, totally 19 Members have spoken and expressed their views on my original motion and the amendments.

I have been a Member for nearly four years, Madam President. This motion today can so rarely command the unanimous support of all Members. I cannot hear any dissenting voices. The voting result can tell us that all the amendments have been passed.

But I find the Secretary's reply a bit disappointing. He has simply replied that while the motion and all the amendments are excellent, well-intentioned, and based on noble motives, we Members are nonetheless not familiar with government policies. For instance, we are not aware of the merits of the CSSA policy, not aware of the many efforts already made by the Government, and not aware of the recent adjustment of CSSA rates. In essence, he says that Members are all kind-hearted, but there are actually no problems at all.

Madam President, it cannot be true that the 19 Members who have spoken all want to stir up unnecessary trouble. Well, even Mr Abraham SHEK, who did not intend to speak initially, could not help asking the Secretary a question. But the Secretary failed to answer him whether it was indeed correct for Members to say that one fifth of our population are living below the poverty line,

with hardly enough to eat. The Secretary failed to answer this question. The Secretary simply replied that they had come up with a new idea regarding food banks, the idea that every \$1 donated by the commercial sector would be matched by \$1 from the SWD. He even said that the measure would be launched the following day. I will of course welcome such a move by the Government. This is after all better than total inaction. But we are now faced with The Secretary has not answered our question. Our question is: given the serious inflation problem, how can the Government ensure that the grassroots can still have enough food and nutrition? The Secretary has not answered this question.

Mr Abraham SHEK is now back. Let me answer his question for the Secretary But he has not actually done so anyway. All is just a very straightforward arithmetic problem. Based on the definition of a poverty line, we classify a household earning just \$10 000 a month as a poor household. There are 290 000 families in receipt of CSSA now. Besides, some 300 000 families are not on CSSA. The Secretary argues that CSSA rates have recently been adjusted upward, and there will also be an additional month of CSSA payment. But these 300 000 families will not get any benefit. Therefore, even if CSSA recipients will have no problems, we still have very good reasons to ask the Secretary this question: Has he ever thought about those who are not on CSSA?

But even in the case of families living on CSSA, how much additional income can they receive? According to the Secretary, CSSA rates will be increased by 4.4% starting from 1 August. But as I remarked at the very beginning of this debate I am not afraid of making any repetition here. Since we have plenty of time, let me just repeat the statistics now. What are the effects of inflation on food prices recently? The pork price has risen by nearly 60%; beef by one fifth, rice by 25% and egg by 15%. On the whole, the prices of main foodstuffs have risen by nearly 40%. CSSA rates have been increased by 4.4% — it is 4.4%, isn't it? How can this increase rate of 4% help people cope with the inflation rate of 40%? Clearly, this policy of the Government warrants a review.

Furthermore, how can we solve the problems faced by people not in receipt of CSSA? Currently, people must help themselves. The Government claims that it will make more efforts. This is good. But are its efforts strong

enough? Is it necessary to formulate a policy to tackle the situation in a holistic manner? Here, once again, I want to repeat what I said at the beginning of this debate. According to the statistics of some organizations running food banks, in the first half of this year alone, the number of people receiving food from food banks already exceeded the total number last year. It is expected that the number of food recipients will multiply. Since demand is ever-increasing, can we rely solely on community efforts? Does the Government not need to consider the formulation of a policy?

We have come to be called Nylonkong, so many Members lament that there are still talks about distributing food coupons. Well, it is precisely because we are now called Nylonkong that we must discuss the distribution of food coupons. In the United States, they also distribute food coupons. I have been to London many times. There are many street sleepers in London, much to people's disbelief. In all metropolises Hong Kong is very fortunate. The Government frequently boasts of Hong Kong being an Asia World City. We are now also called Nylonkong. Poor people in great cities are similarly miserable. In all metropolises, there are many impoverished people in need of government assistance. As the ancient saying goes, life in Chang'an is difficult. Inflation is so rampant, but the Secretary has given no answers to our questions today. Given the rampant inflation, how can we satisfy the food demand of the grassroots?

Dr Joseph LEE asked the Secretary whether elderly persons can have the means to buy the four taels of meat they need every day. The Secretary did not give any answer either. Dr KWOK Ka-ki remarked that if elderly persons and children suffered from health problems due to malnutrition, the Government must incur expenditure all the same. Mr LI Kwok-ying was a bit more moderate, asking the Government whether it would study and consider the example of the United States, which also distributed food coupons. But it seems that the Government does not want to give any thoughts to the idea. Miss TAM Heung-man also put forward a similar view, saying that shopping coupons were distributed in both the United States and Singapore. I find Miss TAM Heung-man's reference to Singapore especially meaningful. When I worked in the Central Policy Unit, Madam President, whenever we wanted the Government

to do something, we would tell it that there was the same practice in Singapore. Every time, the Government would be more than ready to consider the idea concerned.

Secretary, we have been competing with Singapore on the economic front for a very long time. I hope that we will also compete with it in our poverty alleviation efforts. We must not be out-competed by Singapore on this count. What is so good about food coupons and shopping coupons? Miss TAM Heung-man has explained the whole thing for all of us — it is the assurance that money will be spent on food instead other items. It may not always work if the Government simply increase CSSA rates. When prices are all soaring, some families with poor financial management concepts may spend the money on other items, and they may then face a food crisis. Why does the Government not consider food coupons? Even if it is not prepared to consider any long-term measures, can it just try out this measure to cushion the impacts of rampant inflation? Can it just try it out, just like what it has done with cross-district transport allowance? It can then amass some experience, right? Can this be implemented as a kind of supplementary system?

Thank you, Madam President.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the motion moved by Mr KWONG Chi-kin, as amended by Mr Albert HO, Mr Frederick FUNG and Mrs Selina CHOW, 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 passed.

PRESIDENT (in Cantonese): Second motion: Implementation of "one country, two systems".

I now call upon Mr Martin LEE to speak and move his motion.

IMPLEMENTATION OF "ONE COUNTRY, TWO SYSTEMS"

MR MARTIN LEE (in Cantonese): Madam President, in 1985, I won in the Legal Functional Constituency and became a Member of this Council. On 27 November 1985, I delivered my first speech in English here in this Chamber. It is surprising that today, 23 years on, some of my comments made at that time are still applicable. I commented at that time that before the Joint Declaration was published, many people in Hong Kong had no confidence in "one country, two systems". However, "The Joint Declaration has restored confidence in Hong Kong, Indeed, a fair number of able people in Hong Kong are prepared to sacrifice their time and career to do something for the future of Hong Kong. But there is a doubt in their minds: will China interfere in the internal affairs of Hong Kong, whether in the law-making sphere or executive decisions or the judicial process?"

I also pointed out that many people were hoping for some safeguards and an effective system. I said that an effective system would "..... those in power should be able to derive support from the system. And what can be better than a system where those in power are put there by the people of Hong Kong and can therefore be removed by the people of Hong Kong? In such a system, whenever there is any interference or attempt to interfere, those in power can say: 'The people of Hong Kong will not allow it.'" I also added that we could not assume that there would be no intervention. I said, "Indeed, it must be clear by now that unless we have direct election," this was the expression I used — "..... we will never have an effective and highly autonomous government to keep our system separate from the rest of China."

I said that for "one country, two systems" to succeed, two prerequisites must be met. According to the first prerequisite, the Central Authorities must encourage the SAR Government and its people to fulfil, by all means, the principles of "Hong Kong people ruling Hong Kong" and "a high degree of autonomy". I also made an analogy of a seesaw. As an adult and a child could not achieve balance on a seesaw, what should they do in order to achieve balance? The adult should encourage the child to move, as far as possible, to the very end of the seesaw while the adult had to move forward until balance was achieved. By an "adult", I was actually referring to a powerful country, while by a "child", I was referring to the HKSAR. As for the second prerequisite, a democratic system must be established.

As regards the first prerequisite, will the Central Authorities intervene? Mr DENG Xiaoping asserted in 1983 that, except for armed forces, he would not deploy cadres to the HKSAR; the purpose of the deployment of armed forces was to safeguard national security, not to intervene in Hong Kong's internal affairs. As the Xinhua News Agency was already in Hong Kong when this statement was made, there was no need to deploy cadres. What exactly was the Xinhua News Agency? In his memoirs of Hong Kong, XU Jiatun wrote in page 156 that the Xinhua News Agency in Hong Kong was not purely a news organ. Established in 1947, it was tasked with the duties of shielding the underground groups of the Communist Party and liaising with these groups. Later he added that "since the reform and opening, the Xinhua News Agency has become an underground group of the Communist Party for Hong Kong and Macao". Nevertheless, the Xinhua News Agency did not — at least not obviously — intervene in Hong Kong's internal affairs. When referring to an incident in his memoirs, he wrote in page 146 that "during a strike staged by taxi drivers in 1985 (he was wrong, the strike actually took place on 13 January 1984) on Nathan Road, representatives of the taxi drivers on strike petitioned the Xinhua News Agency and they were received by QI Feng of the Xinhua News Agency, who advised them to approach the Hong Kong Government to solve the problem as it was supposed to be dealt with by the Hong Kong Government." The Xinhua News Agency really did a good job.

I recall that I once asked Mr LU Ping, the then Director of the Hong Kong and Macau Affairs Office (HKMAO), in 1988 during the drafting of the Basic Law, this question: What will become of the Xinhua News Agency after the reunification? His reply was that the Xinhua News Agency had to be set up in Hong Kong if certain matters had to be dealt with by a quasi-consulate in Hong

Kong, as the three unequal treaties were not recognized. However, after the reunification, Hong Kong would become part of China; hence, the Xinhua News Agency should not continue to operate in Hong Kong. During an interview by Hong Kong journalists in California, the United States, after he had left the territory, XU Jiatun explained that, as the Communist Party was an underground organ before the reunification, the Xinhua News Agency must operate in the territory. After the reunification, however, the Communist Party was no longer an underground organ, and so the Xinhua News Agency had lost its value of existence. Even if it should exist, it should not operate on such a large scale, or else people would have the impression that it would intervene in "Hong Kong people ruling Hong Kong".

In 1996, Mr LU Ping also expressed through the media that the post of Secretary of Party Committee would not be created in the territory, and a super-king would definitely not be created above the SAR to instruct the SAR what to do. However, what was the true picture? What happened after the reunification? Though the Xinhua News Agency had become history as expected, the Central People's Government Liaison Office (Liaison Office) was established as an even bigger and more powerful organ. This explains why we have seen waves after waves of meddling and intervention, even for affairs which should obviously be dealt with by Hong Kong, with the dividing line becoming increasingly obscure. Whenever there is a dispute within Hong Kong, the royalists would petition the Liaison Office in the hope that "Grandpa" would resolve the problem. Furthermore, recently, a law professor, who hoped to run in the direct election in West Kowloon, received blessing from the Liaison Office, and then the former Chairman of the Kowloon-Canton Railway Corporation, who was unwilling to be outdone, requested the HKMAO to give him support.

Madam President, it is regrettable that the SAR Government has not upheld the principles of "one country, two systems" and "a high degree of autonomy" according to the provisions of the Basic Law. It has not only turned a blind eye to the intervention by the Liaison Office in the internal affairs and elections of the SAR, it has even rendered full assistance in returning Hong Kong's high degree of autonomy to Beijing with both hands. Hence, I think that the SAR Government should issue a solemn statement to spell out clearly the role played by the Liaison Office in Hong Kong and request that the Liaison

Office immediately stop meddling in all internal affairs of the territory. Last night, I made a telephone call to Mrs Anson CHAN, who was visiting Canada, and discussed with her the points mentioned above, namely whether the Liaison Office should continue to operate in Hong Kong and what the Liaison Office should do. She indicated agreement to my observations.

Insofar as democracy is concerned, Members should know it very well that the Chief Executive would not be elected by universal suffrage until 2017 and all Members of the Legislative Council would not be elected by universal suffrage until 2020. Furthermore, the manner in which universal suffrage would be implemented is still not known. Actually, the problem really lies in the Central Government's lack of trust in Hong Kong people. Hong Kong would not be allowed to enjoy real democracy until the royalists, especially the Democratic Alliance for the Betterment and Progress of Hong Kong and the Liberal Party, are certain that they would win even when universal suffrage is truly implemented. Before that day comes, we could only enjoy the bogus democracy allowed under the control of Beijing. At the same time, the Central Government will teach our next generation by such means as united front work, brainwashing (such as national education), and so on, in a bid to breed a new generation of obedient electors.

Madam President, let me come back to the metaphor of a seesaw. Now, the adult, who is sitting on the very end of the seesaw, has instructed someone to stab at the back of the child with a small knife to force him to move forward. What will happen? Let us take a look at Taiwan. The recent triumph of MA Ying-jeou in Taiwan's presidential election has brought a new atmosphere to both sides of the Strait. However, so long as the Liaison Office does not return home, genuine universal suffrage will not be implemented here in Hong Kong. How will Taiwanese compatriots accept "one country, two systems"?

Thank you, Madam President.

Mr Martin LEE moved the following motion: (Translation)

"That this Council urges the Central Government to abide by the Basic Law and strictly require that no department of the Central Government, including the Central Government Liaison Office, and no local

government in the Mainland shall interfere in the affairs which the Hong Kong SAR Government administers on its own in accordance with the Basic Law, so as to implement "one country, two systems", "Hong Kong people ruling Hong Kong" with "a high degree of autonomy".

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

PRESIDENT (in Cantonese): Mr TAM Yiu-chung will move an amendment to this motion. The motion and the amendment will now be debated together in a joint debate.

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

MR TAM YIU-CHUNG (in Cantonese): Madam President, I move that Mr Martin LEE's motion be amended.

In his speech delivered just now, Mr Martin LEE told us a lot of historical stories. I would like to recap some history, too. During the 11 years after Hong Kong's reunification, the people of Hong Kong have worked very hard to administer the SAR and pursue economic development with self-confidence underpinned by "a high degree of autonomy" and "Hong Kong people ruling Hong Kong", as well as a good sense of responsibility. During the same period, the Central Government has also strictly abided by the provisions of the Basic Law and the principle of "one country, two systems" in safeguarding and supporting the SAR Government's administration in accordance with the law and effective governance and, especially at critical moments, assisting the SAR Government and Hong Kong people in riding out storms safely.

Members should recall that, shortly after the reunification, the SAR Government, as well as various Asian countries, was badly affected by the financial turmoil. During that period, Hong Kong's economy and social stability were seriously undermined by the frenetic speculation of Hong Kong Dollar by hedge funds as well as substantial short selling of futures. Given the uncertainties during the early period after the reunification, people were severely

tested regarding whether the Chinese Government would strictly abide by the undertakings made in the Basic Law and whether the capitalist system of the SAR and the linked exchange rate could be maintained.

During the toughest period when Hong Kong was fighting against the Asian financial turmoil, the Central Government insisted that Renminbi would not be depreciated and, at the same time, announced in a high profile that it would stop at nothing to prop up Hong Kong Dollar. I still recall that former Premier ZHU Rongji had even indicated in an impassioned speech that the Central Government would stop at nothing and even draw down national reserves to uphold the stability of Hong Kong Dollar. The goal of the Central Government was to indicate to the outside world its determination of supporting Hong Kong. Given the full support of the Central Government, the SAR, seemingly given a shot in the arm with its confidence greatly boosted, took the initiative in launching an attack against speculators. Consequently, the SAR Government succeeded in not only warding off global speculators, but also upholding the linked exchanged rate system and stabilizing the financial markets.

We also recall that, in 2003, Hong Kong was seriously affected by the SARS epidemic. We experienced the loss of loved ones, the death of health care personnel, and so on. At that time, there was a serious short supply of medical supplies for fighting the epidemic. As a result, there was panic buying of medical supplies in places all over the world. Even if we had enough money, it might still not be possible for us to purchase sufficient medical supplies. Later, the World Health Organization (WHO) issued travel warnings against Hong Kong because of the spread of the SARS epidemic. At that time, Hong Kong, like an epidemic-plagued isolated island, was shrouded in an atmosphere of misery and stigmatized by the international community.

At a time when the people of Hong Kong found themselves physically and mentally exhausted, we received, once again, the sincere sympathy and support from the Central Government. During his personal visit to Amoy Gardens, badly hit by the epidemic, during the SARS period, Premier WEN Jiabao not only visited residents affected by SARS, but also encouraged Hong Kong people to face the future positively. Furthermore, the Central Government even rendered full support in satisfying all the needs of the health care personnel in the SAR by providing 77 000 surgical masks and 140 000 sets of protective gear to the SAR Government within 10 days, with the expenses fully borne by the Central Government. When the territory succeeded in combating the epidemic,

Vice Premier WU Yi immediately conveyed the message to the international community during a meeting of the WHO, that Hong Kong had successfully controlled the SARS epidemic and took proactive steps to fight for the lifting of the travel warnings issued against Hong Kong. Subsequently, an announcement was made several days later by the WHO to lift the warnings.

The personal visit made by Premier WEN to Hong Kong, the support rendered by the Central Government in the provision of supplies and the proactive fight by Vice Premier WU Yi for our interests have all manifested the Central Government's concern and support for the people of Hong Kong. During the outbreak of the SARS epidemic, the Mainland and the SAR exerted their best in helping each other, including notifying each other of the progress of the epidemic and sharing the results of scientific research tests. It is also evident in the support rendered by the Central Government in providing medical supplies to Hong Kong and the raising of funds by Hong Kong people in support of the Mainland that the spirit of "one country, two systems" has been fully manifested by the joint efforts of the two places in weathering adversities brought about by SARS.

Despite Hong Kong's triumph over SARS, our economy was, however, in the doldrums, and the market was in depression. Not only were Hong Kong people badly hit by the grief brought about by the loss of family members and friends, they even had to face the economic depression and impact brought about by layoffs and unemployment. On this occasion, the Central Government once again offered Hong Kong people assistance in tiding over our difficulties. On receipt of the proposal put forth by former Chief Executive TUNG Chee-hwa for establishing free-trade arrangements in an effort to revive the local economy, the State Council gave the request the utmost weight and carried out studies in this regard, and later, the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA) was promptly signed.

By way of CEPA, the Central Government has formulated a number of concessionary policies to give a wide range of trade and industries, such as the economic and trade sector and professional services, in Hong Kong a brand new direction and impetus of development, and allow the business sector of Hong Kong and individuals from Hong Kong to make a head start in accessing the mainland markets before China's fulfilment of WTO commitments to open up its markets fully. These arrangements and measures have provided a lot of

substantial assistance to Hong Kong in reviving and developing its economy. Hong Kong is envied by a lot of its rivals (including Korea, Singapore and Taiwan as a member of the four places on both sides of the Strait) because it can leverage on the Motherland with the support of the Central Government.

The Central Government strictly abides by the principle of "one country, two systems" in fully supporting the effective administration of the SAR Government and assisting Hong Kong in taking forward its economic development without interfering in the internal governance of the SAR. This has not only manifested the Central Government's concern and support for Hong Kong, but all the more demonstrated that the Central Government is persistently exerting its utmost in fully implementing the principle of "one country, two systems".

In the past, the Central Government has all along taken measures to fully support the SAR Government and people of Hong Kong. This is why I have proposed an amendment to express my deep gratitude to the Central Government. We are also convinced that the Central Government can abide strictly by the provisions of the Basic Law and act in strict accordance with the principles of "one country, two systems", "Hong Kong people ruling Hong Kong" and "a high degree of autonomy" in the future. Hence, the amendment will likewise offer the Central Government our sincere support.

On the surface of it, although the wordings of Mr Martin LEE's original motion are somewhat similar to the provisions of Article 22 of the Basic Law and there is nothing in Article 22 which is worth arguing, we will find if we take a closer look and after listening to the speech just delivered by Mr Martin LEE that the original motion seeks to slam the Central Government for interfering in the internal affairs of Hong Kong with unfounded, speculative reports. Therefore, we must oppose this original motion. With these remarks, I oppose the original motion.

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

"To delete "this Council urges" after "That" and substitute with ", as the Central Government has been proactively taking measures over the years to support the economic development, improvement of people's

livelihood and promotion of democracy in Hong Kong, and vigorously facilitating exchanges and co-operation between the Mainland and Hong Kong in the areas of economy, education, science and technology, culture, health and sports, etc, this Council expresses deep gratitude and hereby expresses support to"; to add "continuing" after "the Central Government"; to add "the provision in" after "to abide by"; and to delete "and strictly require" after "the Basic Law"; to delete "Government, including the Central Government Liaison Office, and no local government in the Mainland" after "no department of the Central" and substitute with "People's Government and no province, autonomous region, or municipality directly under the Central Government". "

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

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Cantonese): President, I will speak later.

MR LAU CHIN-SHEK (in Cantonese): The question of implementing "one country, two systems" has been debated in this Council a number of times. To me, the thrust of the issue is mutual trust between Hong Kong and China.

I have once pointed out that the lack of mutual trust between Hong Kong and China is akin to a knot. If each side pulls on one end of a rope, the knot will only get tighter and tighter, and become a fast knot. There is only one way to undo this knot which has been haunting us for years and that is, for both sides to relax a little and carefully straighten out the entangled rope to be followed by co-ordinated movements. Only then can there be a chance to undo the knot.

To undo the knot of lack of mutual trust between Hong Kong and the Mainland, we must avoid thinking that "whenever the Central Government tightens its control, everything will stop working, but when the Central

Government relaxes its control, everything will run into great disorder". Insofar as Hong Kong is concerned, there is no need for us to interpret the policy adopted by the Central Government towards Hong Kong with the mentality that "whenever the Central Government tightens its control, everything will stop working". When Hong Kong economy was facing its most difficult moment, the Central Government lent us a helping hand. Many people could feel that the Central Government was sincerely hoping the best for Hong Kong. Even if some of the good-will policies adopted by the Central Government towards Hong Kong were, from an objective point of view, not the most beneficial to Hong Kong, or even did a disservice despite its good intentions, we should still try to express our opinion calmly. I believe the Central Government will accept so long as our opinion is justified and beneficial to Hong Kong.

Similarly, the Central Government should also put aside its mentality of believing that "when it relaxes its control, everything will run into great disorder". It should put its mind at ease and let Hong Kong people administer Hong Kong's internal affairs on their own. "One country, two systems" is by no means political expediency. This arrangement, which works for the best interests of both Hong Kong and the Mainland, has been adopted by the leaders of the Central Government because it is firmly believed to be able to maintain Hong Kong's uniqueness. The proposal of "one country, two systems" actually displays the trust of the Central Government in Hong Kong, its trust in Hong Kong systems, its trust in Hong Kong people and, finally, its trust in the political personalities and organizations who have the mandate of Hong Kong people under Hong Kong systems. The Central Government's trust in Hong Kong also displays its self-confidence: Only people without self-confidence would need to be on guard everywhere. Only people having doubts about its own authority would need to worry about the possibility that "when they relax their control, everything will run into great disorder" and find it necessary to exercise absolute control.

President, in order to undo the knot of lack of trust between Hong Kong and China, both parties holding either end of the rope should assume their responsibility. However, I believe the Central Government's influence is crucial in undoing the knot. It is simply because there is a great disparity between Hong Kong and China in terms of their actual strength. It is like the ends of the rope being held by an adult and a child. It is simply impossible for the knot to be undone if the child loosens its grip, and yet the adult continues to

hold fast to the rope. An insightful editorial carried in Ming Pao on 4 June reads, "At present, only the Chinese communist authorities have adequate power and resources to push forward reconciliation among all the people. Insofar as a ruling party is concerned, it has the unshirkable responsibility of seeking reconciliation with various parties".

President, I would like to take this opportunity to say a few words from the bottom of my heart to my friends who are supporters of the establishment.

President, I still recall that I was on the Mainland during the 36-day strike staged by the bar benders, but there was still exchange of ideas between LEE Cheuk-yan, Secretary Matthew CHEUNG, the Commissioner of Labour, and me late at night.

I also learnt from a number of channels that, since the outbreak of the strike, there had been conflicts and friction between unions and trade associations. Even the Government was racking its brains as the strike had already dragged on for some time. LEUNG Yiu-chung even suggested that I should convene an urgent meeting of the Panel on Manpower to urge the Government to press for co-operation between the Hong Kong Federation of Trade Unions (FTU) and the Hong Kong Confederation of Trade Unions (CTU) on the bar benders incident.

LEE Cheuk-yan was hoping that a proposal acceptable to all parties could be reached expeditiously. Both LEE Cheuk-yan and I knew it very well that a protracted strike would only do harm to workers, unions, trade associations, the Government and society. I immediately contacted CHENG Yiu-tong of the FTU, who frankly admitted that both parties would lose should the standoff continue. However, he was also worried that grievances among unions had escalated since the strike, and it would not be easy to settle the matter. This is what I told him, "Brother Tong, you are part of the establishment. According to CHIM Pui-chung, you are the banker and LEE Cheuk-yan is a player. If this matter cannot be settled, the banker should assume the greater part of the responsibility. The strike, if worsened, will definitely undermine social stability. I understand that lobbying will certainly be difficult, but I believe you and I would do our utmost to lobby various parties in search of an option acceptable to all." Immediately after CHENG Yiu-tong had agreed with my

analysis, I informed the Secretary and the Commissioner of Labour of CHENG Yiu-tong's view and mine and requested the Government to expeditiously arrange a meeting for both employers and employees.

Thanks to the efforts made by CHENG Yiu-tong, the FTU and its unions, LEE Cheuk-yan, the CTU and its affiliates, the employers and employees of the bar bending industry finally reached an agreement, thus providing a good start for this year's negotiation.

I believe Mr CHENG Yiu-tong understood that, as part of the establishment and even an advocate of Beijing's policies, he must demonstrate greater tolerance in handling Hong Kong's affairs. This would definitely do good to Hong Kong's workers and society.

The second point I would like to raise relates to the participation of LEE Cheuk-yan in a street fund-raising activity held for the disaster occurred in Sichuan on 17 May. After receiving a verbal notification that there was no problem with obtaining a permit for raising funds, LEE Cheuk-yan received the permit on the Internet at 2 o'clock in the early morning of Saturday. However, he could not get hold of the permit as the employees of CTU were not required to work on Saturday. Consequently, during the fund-raising activity, a District Council member belonging to the establishment complained to the police that LEE Cheuk-yan had engaged in fund-raising without a permit. While I respect what the District Council member chose to do, I still believe that he should lend a helping hand by explaining to the police that either he believed the permit could be obtained immediately after an application was lodged, only that LEE Cheuk-yan had failed to get hold of it, or he believed in LEE Cheuk-yan's explanation that he had already obtained a verbal approval should he take into account that LEE Cheuk-yan was merely raising funds for the victims of the Sichuan earthquake at a time when "aid should come from all sides when one place suffers misfortune". It is a great pity that the amount of funds raised by LEE Cheuk-yan LEE during the activity was reduced because of the delay thus caused.

More importantly, had the District Council member not lodged the complaint or even lent a helping hand, not only our compatriots in Sichuan would have been benefited, the knot would also have been loosened a great deal.

I hope that both parties can be more accommodating and tolerant. Only in this way can the knot be undone. It is definitely not my hope to see this question debated again and again here in this Council year after year.

Thank you, President.

MR RONNY TONG (in Cantonese): President, even if we merely look at the wordings of Mr Martin LEE's motion and Mr TAM Yiu-chung's amendment and listen to their speeches, we can already sense that the question is very sensitive. However, President, not long ago, during the period before and after the reunification, this subject was not considered to be sensitive. Members might recall that two principles were chanted frequently by officials of both the Central Government and the Hong Kong Government at that time, though it seems that the two principles are seldom mentioned nowadays. What I am referring to is the principles of "one country, two systems" and "a high degree of autonomy", which are already solemnly laid down in Article 2 of the Basic Law. Furthermore, the provision is also interpreted specifically in Article 22 of the Basic Law as "no department of the Central People's Government and no province, autonomous region, or municipality directly under the Central Government may interfere in the affairs which the Hong Kong Special Administrative Region administers on its own in accordance with this Law."

President, the crux of the issue is: How should interference be defined? The wordings of Mr Martin LEE's motion actually represent a direct rendition of the provision of Article 22. However, I believe Mr TAM Yiu-chung speculated that Mr Martin LEE was actually criticizing the Central Government in his motion. Hence, Mr TAM immediately moved an amendment to highly praise the Central Government. I would say that the two Members were groping their way as if they were engaging in shadow boxing.

President, in order to confront this sensitive issue, we must address this question: How should interference be defined? What exactly is the definition of interference? I believe many people will agree that interference probably means let us look at the current political ecology of Hong Kong. Interference entails three different types of conduct: First, direct interference by the Central Government. When decisions are made, the Central Government may even appoint someone to sit beside Donald TSANG to instruct him to do this

and that. This is direct interference. Second, interference may refer to certain hidden conduct. The Central Government may even interfere in Hong Kong's affairs in a passive manner. Many people might actually have heard of such conduct. For instance, some political parties have recently complained of interference by the Liaison Office in co-ordination among the Legislative Council election camps in Kowloon West. Our colleague, Mr James TIEN — he might be absent today — had once publicly indicated that an employee of the Liaison Office, surnamed LAM, assisted District Board member, Dr Priscilla LEUNG, in undertaking electoral work. Then, it was rumoured that Mr TIEN had complained to the Central Government that the Liaison Office had shown excessive favour towards certain Members. Though these are open secrets, should they be considered interference?

I believe this is understandable. Very often, the Central Government might take a passive position because of the need to maintain relations with the political parties/groupings or figures who are friends of the Central Government. Very often, these people, irrespective of severity of the case on hand, would appear before the Central Government or complain to the Liaison Office about this or that, saying that Donald TSANG is demonstrating favouritism or acting inappropriately or criticizing him at the back. They might mislead others into believing that these are concrete examples of interference by the Central Government in Hong Kong affairs, thus resulting in misunderstandings.

The last type of conduct which might be considered as interference is criticism. The best example could be found yesterday — excuse me, President, it was not yesterday. It might be several days ago. I have really been too busy lately — the Liaison Office criticized the appointment of Under Secretaries and Political Assistants, though not in a high-profile manner. Though its response might not be considered high-profile, the Liaison Office was covered by all the newspapers in Hong Kong in a high-profile manner and made headlines.

Most importantly, President, how should "interference" be interpreted? If certain conduct would directly exert major influence on Hong Kong's political environment or directly affect the decisions made by the SAR in governance or its positions on certain major issues, I believe Members would also agree that this is interference. Interference does not necessarily have to take into account motives or whether there is a specific intention to achieve certain political results. So long as certain conduct would exert direct influence or affect

political decisions or achieve similar results, it should be regarded as interference.

As with the example cited by me just now, the Liaison Office would frequently comment on Hong Kong affairs. However, before the reunification or during the TUNG Chee-hwa's era, this was rarely seen. When commenting on Hong Kong affairs, the Liaison Office would often act evasively as if it dared not speak out even if it wanted to. With the passage of the TUNG Chee-hwa's era, it seems that they have become more liberal and have more to say. There is no denying that this represents freedom of speech. However, they must consider what political consequences will be caused if they are in a certain position and do certain things. Such political consequences will directly eat into the paramount principles mentioned by me earlier, that is, the principles of "one country, two systems" and a "high degree of autonomy". However, in order to implement these two fundamental principles when the intentional, unintentional, active or passive acts mentioned by me earlier give rise to certain unacceptable consequences or directly affect Hong Kong's governance, policies or decisions, the two most fundamental principles of "one country, two systems" and a "high degree of autonomy" are actually being compromised. If we hope to achieve these two principles, we must work harder.

MR ALBERT HO (in Cantonese): Madam President, the idea of "one country, two systems" was proposed more than a quarter of a century ago by then Chinese leader DENG Xiaoping as a solution to the problem related to Hong Kong's future.

The idea was considered by many people at that time as bold and innovative for two reasons. First, theoretically, how could a communist regime accommodate a capitalist subsidiary system? Second, insofar as actual operation was concerned, how could the Chinese Government claiming to thoroughly implement one-party dictatorship tolerate the existence of a space — even if it was as small as Hong Kong — not directly controlled and governed by the one party (the Communist Party)?

From a more realistic angle, and as pointed out by a number of colleagues just now, China must demonstrate a very high degree of tolerance before this policy can be implemented, given the huge gap and disproportionate disparity in actual strength between China as a whole and such a tiny place, Hong Kong.

In addition, in the design of "one country, two systems", the Basic Law was enacted to act as the most important framework for the implementation of "one country, two systems" and serve as a city wall in safeguarding a "high degree of autonomy" in Hong Kong. Of course, we can see a convergence of the two systems separately practised by the Central Government and the SAR Government. We can also see that the Central Government was playing a major leading role, or even acting as a controller.

It is meaningless to discuss whether or not there is interference because the Central Government is exercising its authority lawfully. For instance, the Central Government can almost examine comprehensively or take full control of Hong Kong's constitutional development. Insofar as the appointment system is concerned, as Members should also be aware, the Chief Executive, Secretaries of Departments and Directors of Bureaux were all appointed by the Central Authorities for the manifestation of sovereignty. However, there is no way to find out if appointment of this sort includes prior approval and vetting.

The third point, also the most important point, concerns the power to amend and interpret the Basic Law. The power of interpreting the Basic Law is especially important.

The several points mentioned above have manifested From the perspective of the officials of the Central Government, this is a manifestation of the reunification of sovereignty. It also ensures that Hong Kong operates within the framework of a "high degree of autonomy". Insofar as the two systems are concerned, the Central Government is certainly playing the role as a leader in handling national affairs. Besides, there is collaboration between the two systems with both Hong Kong and China playing an exchanging, supportive and complementary role in many areas.

Just now, Mr TAM Yiu-chung said that the Central Government had given Hong Kong a lot of support — whether in the form of support or grace — actually, the Central Government is obligated to do so because we belong to the same country. Furthermore, from the historical perspective, Hong Kong has made a lot of contribution to the nation, whether in terms of contributing to foreign exchange earning prior to the reunification or functioning as a market for financing after the reunification. Furthermore, long-term exchanges in such areas as information are also very important. Anyhow, it is evident that Hong Kong plays a very important role as the freest social space in the entire nation.

However, what worries us today is, in the course of implementing "one country, two systems", whether there is undue interference outside the system by the Central Government in the political, economic or social areas. This is by no means hard-power interference. Instead, the interference is soft and invisible.

The role played by the Liaison Office nowadays has actually become a cause of growing concern to many sectors in the community. Its active meddling and participation has already become an open secret. Whether or not this is considered a sort of interference — Members may discuss this issue — these are the facts. Let us first ascertain whether these are the facts. First, is the Liaison Office playing a major and proactive role in co-ordinating elections at various levels by persuading or dissuading candidates of certain political parties/groupings?

Second, insofar as the electioneering campaigns launched by certain political parties/groupings are concerned, has the Liaison Office provided much support for the formation of a number of unified battle lines, or even provided much meticulous guidance on electioneering campaigns at the back to help the candidates of certain political parties/groupings to win the elections? Of course, exit polls are included here.

Third, in Hong Kong's social environment, has the Liaison Office provided abundant (or nearly infinite) resources to help a large number of satellite political organizations to give support to the Central Government and even regional governments, either in terms of ideology or by way of public opinion, in implementing policies or complementing the implementation of policies so that people are given an impression of widespread anxiety and nervousness?

Fourth, is it the case that the Liaison Office is maintaining frequent contact with Members, as this is also reported in newspapers today, to exert influence or give advice or even, as described by a certain Member, "conduct X-ray checks" with Members from time to time? Has this occurred before?

Finally, has the Liaison Office exerted influence or, to a certain extent — of course, I have not taken into account the traditionally state-owned

organizations — exert pressure? Actually, I have been told by a chief editor that he has received a telephone enquiry or criticism from the Liaison Office after publishing some articles or editorials.

Just now, Mr TAM Yiu-chung insisted that evidence must be produced. Sorry, we may not be able to produce a lot of evidence because what we have seen comes from newspapers or the verbal information provided by Honourable Members. May I request Honourable Members to stand up in this Chamber to face society, the people of Hong Kong, history and our younger generation and tell them that these are not facts according to your understanding? Can you deny all these? Colleagues of the DAB are welcome to do so. *(The buzzer sounded)*

DR KWOK KA-KI (in Cantonese): Madam President, it is a very special day today. I believe this is the last motion that Mr Martin LEE has moved in this Legislative Council, and it is also the last motion he has moved in his life as a Member. He is seldom so calm and gentle. I can see that he has just moved this motion without showing any signs of anger. On the other hand, it is also very strange that Mr TAM Yiu-chung from the DAB has shown no hints of wrath either.

In fact, I am talking about two different issues because Mr Martin LEE has been talking about history and describing what he had seen and heard since the time he first took part in politics and participated in the work of drafting the Basic Law, which I strongly believe to be a factual description, while Mr TAM Yiu-chung has mentioned various facts, including the support given to Hong Kong by the Central Government over the years. I do not know whether or not Mr TAM Yiu-chung means that as we are enjoying so many benefits — which are actually nothing — we should not mind the so-called interference in the affairs of Hong Kong mentioned just now by Mr Martin LEE, and as the interference is offset by these benefits, we should just swallow it. Or he may mean that there has been no interference actually, not only is there no interference, but numerous benefits have also been provided. But I think this is not the best attitude for discussing this issue.

In fact, regarding "abiding by the Basic Law" mentioned by Mr Martin LEE, I believe the leftists, middleists and rightists present also have to abide by

the Basic Law, which is the most fundamental principle of all. However, I believe that even if someone says that nowadays in Hong Kong, various departments of the Central Government, including the Central People's Government Liaison Office, have not interfered in the governance of Hong Kong, no one will believe in it. As a matter of fact, it is true. However, the question remains whether these approaches can help implement "one country, two systems" in Hong Kong. This is obvious I do not think the answer is "yes".

I believe that at the time when the Central Government, that is, Mr DENG Xiaoping, introduced the Basic Law in order to implement "one country, two systems", he had his own idea. Back then, it was just a very simple task for the Central Government to recover Hong Kong, even withdrawing "one country, two system" and not establishing a special administrative region was also a very simple task. However, the Central Government preserved Hong Kong though, which shows that Hong Kong has actually been playing a very significant role. Since the reform and opening in the 1970s, Hong Kong has been conducting interactions with our country on different fronts, be it the industrial, commercial or trading front, and a lot of efforts have been made in the economic domains. Nevertheless, there is one point which has not been mentioned, that is, in the process of constitutional reform and democratization of our country in the future, I believe Hong Kong will actually have a role to play. If not, how can Hong Kong be different from various places in which commemoration of the 4 June incident is not allowed, in that it is still allowed to carry out commemoration activities till now? This is also due to "one country, two systems". I believe the 4 June incident, including the movement for and pursuit of a democratic China evolved from the 4 June incident, has all along been enabling Hong Kong to play a significant role.

Hong Kong is in fact very safe. It will not pose any problem at all to the safety factor of the Central Government of China. All the Hong Kong officials are appointed by the Government, and the Legislative Council basically does not hold any power. As we all know, there is separate voting, functional constituencies, and so on, in the Legislative Council. However, it seems that the Central Government still cannot rest assured, and it has effect much interference, which I think is not "invisible" but "visible". For example, at each level of election or on every occasion when political reform was discussed in Hong Kong, it will not be convincing at all to claim that no influence has been

exerted by the Central People's Government Liaison Office. However, is it of any help to Hong Kong? Can this help the Central Government of China to fulfill its wish — to achieve peaceful unification with Taiwan in the foreseeable future? Actually, only him who ties the bell on the tiger can take it off. If "one country, two systems" cannot really be implemented and interference cannot be removed, I believe this wish can hardly be fulfilled.

I have a personal experience as well. Recently, some medical doctors and dentists have told me that as our election is drawing near, they found that there are a lot of appeal messages and canvassing, probably in support of certain candidates, and there are also plenty of dissuasive moves, such as requesting this or that candidate not to run in the election because they already have their favoured candidate and they strongly hope that he will succeed in the election. What are these acts if not real interference? I think that if we want to implement "one country, two systems" and enable Hong Kong to perform its role in this respect or even in constitutional development in the future, unnecessary interference should actually be avoided. In fact, it seems that interference is unavoidable. As I said just now, in the constitutional development of Hong Kong, the Standing Committee of the National People's Congress (NPCSC) has in fact effected the greatest interference in major issues such as the interpretation of the Basic Law. If not for the interpretation and the 26 April decision back then, I believe chances are we can see universal suffrage in 2007 and 2008. Such acts are interference. In fact, interference is everywhere, and it is omnipresent. If people say that interference does not exist, it is merely because they will say so even when they are aware of its existence, that is, they are telling naked lies. This will not do Hong Kong any good.

I believe the original motion moved by Mr Martin LEE today can hardly be passed because I know the composition of the present Legislative Council. I think in moving this motion, his dedication is really admirable, and he really hopes that "one country, two systems" can be preserved in this small place — a place with only a few million people. I hope that Honourable colleagues from different parties and groupings, be they the pro-China parties or the pro-establishment faction, can think about this: If we are unable to protect even this front, unable to resist any interference at all, Hong Kong has actually lost its worth and splendour. What is left of it will not be of much use to the overall development of China.

The Basic Law should really be abided by. I hope that departments of the Central Government, including the Central People's Government Liaison Office, will not interfere in the affairs of Hong Kong anymore. I so submit. Thank you, Madam President.

DR YEUNG SUM (in Cantonese): Madam President, I am very grateful to Mr Martin LEE for moving this motion today on implementing "one country, two systems" with "a high degree of autonomy". I believe this may be the last motion moved by him as a Member of the Legislative Council. Therefore, I especially cherish this opportunity and also wish to express my gratitude to him for fighting for the democracy of Hong Kong over the years.

Madam President, the amendment proposed by Mr TAM Yiu-chung has puzzled me a lot, and I do not know why he has even expressed gratitude to the Central Government for promoting democracy in Hong Kong. This is really very, very ridiculous, because I consider that the major barrier or the greatest obstruction to democracy in Hong Kong comes from the Central Government, yet Mr TAM Yiu-chung has even expressed gratitude to the Central Government on behalf of the DAB for promoting democracy. Honourable Members may still recall that the Central Government has ruled out dual elections by universal suffrage in 2007 and 2008 through the interpretation of the Basic Law by the Standing Committee of the National People's Congress (NPCSC). In fact, consultation had not yet commenced at that time, and the Government's consultation papers were not ready either, but the NPCSC cut the Gordian knot, and nailed the coffin and made a decisive move to rule out dual elections by universal suffrage in 2007 and 2008 and required that the subsequent terms of the Legislative Council should be composed of an equal number of seats returned by functional constituencies (FCs) and universal suffrage. It even stated that no amendments to government motions should be proposed by Members of the Legislative Council. Members should still remember this historical episode very well. Afterwards, the NPCSC made another decision of not implementing universal suffrage in 2007 and 2008 on the ground that it does not suit the real situation of Hong Kong and is contrary to the principle of gradual and orderly

progress towards universal suffrage under the Basic Law. It also suggested the possibility of implementing universal suffrage for the 2017 Chief Executive election and the 2020 Legislative Council election.

Madam President, I believe you can still remember that back then at the Government House, we heard the public remark made by Mr ZHANG Xiaoming, Vice-minister of the Hong Kong and Macao Affairs Office of the State Council, that actually a certain kind of universal suffrage could also be implemented for FCs, and universal suffrage was not tantamount to the removal of FCs. Recently in this Chamber, the Chief Executive harped on the same tune, pointing out that FC elections would be transformed into universal suffrage after reform. Therefore, I hope members of the public can consider whether the universal suffrage referred to in the so-called decision of implementing universal suffrage for the 2017 Chief Executive election and the 2020 Legislative Council election really complies with the international standard of universal suffrage. I have grave reservation about it. It is absolutely ridiculous to consider that FC elections could be transformed into a certain kind of universal suffrage, and this is also contrary to internationally recognized standard. The so-called universal suffrage does not only refer to the voting system of "one person, one vote". Besides equal voting right, there should also be equal nomination right; in other words, we cannot regard the voting by members of the public on a "one person, one vote" basis for FC candidates nominated by certain people as universal suffrage. This is indeed too ridiculous because restrictions on the nomination right as well as a kind of exclusion will exist.

Times and again, the Central Government has, through the NPCSC's interpretation of the Basic Law, ruled out the fulfillment of Hong Kong people's aspiration for universal suffrage and hindered the expeditious implementation of universal suffrage in Hong Kong. This is downright indifference to the mainstream public opinions. However, Mr TAM Yiu-chung has even expressed gratitude to the Central Government for promoting democracy. I find this amendment most ridiculous. Why does the Central Government oppose democracy in Hong Kong? I think there are three major reasons: First, the Central Government still thinks that Hong Kong will turn into a base for anti-communist activities, which is probably caused by the strong impression created by the pro-democracy movement in 1989. Secondly, the mentality of

one-party dictatorship still prevails, both in the Mainland and in the administration of Hong Kong. Therefore, even though it is stipulated clearly in the Basic Law that Hong Kong will move towards universal suffrage, such universal suffrage will only be some kind of "birdcage" democracy. With the mentality of one-party dictatorship, the Central Government is still reluctant to devolve its power in the Mainland and especially in Hong Kong. Therefore, with the Central Government's insistence on one-party dictatorship and the refusal to devolve its power, I believe Hong Kong people's dream of expeditiously exercising "a high degree of autonomy" through universal suffrage will not come true until after a long period of time. Thirdly, the Central Government is still concerned about the fact that no matter how hard the pro-establishment faction tries, it is still unable to gain control of this Council. They have had a definite chance of victory in every election but have never been able to gain control of this Council with a majority vote. Therefore, when the situation is not yet mature, I believe the Central Government under one-party dictatorship still does not have peace of mind, which is indeed the sorrow of the people of Hong Kong.

Madam President, the Central Government's interference in the affairs of Hong Kong, apart from the ruling out of the mainstream public opinions through the NPCSC's interpretation of the Basic Law, as I mentioned just now, can also be seen in two aspects. First, the Central People's Government Liaison Office (the Liaison Office) has proactively and comprehensively interfered in elections of the Special Administrative Region (SAR) on many occasions. For example, it has provided co-ordination for candidates in each geographical constituency so that there would not be apportionment of votes for candidates from the pro-establishment faction, especially those who are pro-Beijing. Besides, they have also mobilized all the community organizations. Mr Martin LEE also mentioned just now that although Mr Michael TIEN had intended to run for the election, as the Liaison Office was inclined to supporting a certain person from the legal sector, many community organizations had refused to support him, causing him to suffer a considerable rebuff. In fact, we have experienced numerous rebuffs, but it is his first personal experience of such. Secondly, I believe the Liaison Office has also interfered in the operation of the Legislative Council in various ways. The most recent example is the successful election of Ms Emily LAU as Chairman of the Finance Committee. I heard that the Liaison Office had requested Members to explain why this had happened.

Madam President, the people of Hong Kong are also patriotic, but being patriotic is not tantamount to loving the ruling party. I very much hope that the Central Government can clearly understand that Hong Kong is a sophisticated civil society, and allow Hong Kong to expeditiously implement universal suffrage in accordance with the Basic Law, allow Hong Kong to implement "one country, two systems" with "a high degree of autonomy" full scale, and allow Hong Kong to make contribution to politics and culture besides making contribution to the economy. I believe the significance of Hong Kong lies not only in the economy. Thank you, Madam President.

MR JEFFREY LAM (in Cantonese): Madam President, "one country, two systems" and "Hong Kong people ruling Hong Kong" with "a high degree of autonomy" is the fundamental policy and approach adopted by the Central Government towards Hong Kong. However, "one country, two systems" is not tantamount to isolating ourselves from the Mainland or the Central Government. On the contrary, since the return of Hong Kong to China, the Central Government has, while maintaining "a high degree of autonomy" in the SAR, given adequate protection to and has been promoting the development of Hong Kong in such aspects as the economy, people's livelihood and politics.

In fact, Hong Kong has also developed and maintained a good working relationship with the Central Government as well as the other government departments in the Mainland, especially in the wake of a series of setbacks brought about by the outbreak of avian influenza, the Asian financial turmoil, SARS, and so on. With the active support of the Central Government in various aspects, Hong Kong managed to rebound speedily from the trough. These are all evident to the members of the Hong Kong community.

From the implementation of the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA) and the Individual Visits Scheme to the mutual visits and exchanges of officials in charge of health, sports, education and culture, the establishment of the notification mechanism on infectious diseases and food safety, the holding of the Olympics equestrian events in Hong

Kong in August this year, and Hong Kong being the first stop on the land of China in the Olympic torch relay, and so on, all these were only possible with the support of the Central Government. I believe all Honourable Members are very grateful to the support rendered by the Central Government in various aspects. The intermediary and bridging role played by the Liaison Office in all of these also deserves our recognition.

Just take CEPA as an example. It has already generated an additional investment of over HK\$5 billion and created 36 000 new jobs for Hong Kong; 1 700 Hong Kong enterprises have gained preferential access to the Mainland for investment under CEPA; 40 banks in Hong Kong are allowed to provide four types of services, including Renminbi deposits, remittances, money exchange and credit card business for individuals in Hong Kong. Moreover, much progress has been made in the reciprocal recognition of professional qualifications between the two places, where over 1 400 people from the architectural sector have obtained the professional qualification of the other party through this arrangement. Besides, 49 cities have relaxed the restrictions on individuals visiting Hong Kong. As at April this year, such visitors have amounted to 670 000 arrivals, representing an increase of almost 27% compared with the same period last year.

Another example is that in the National 11th Five-Year Plan, it has been stated clearly that Hong Kong will be included in the plan. The Central Government has also implemented a series of major initiatives such as the Qualified Domestic Institutional Investors (QDII) Scheme to support the financial and economic development of Hong Kong.

At the same time, in order to alleviate the impact of rising food prices, the Central Government has adjusted the quota for live pigs supplied to Hong Kong and introduced additional agents; a working session jointly organized by the Ministry of Commerce and the People's Government of Guangdong Province specifically on assuring a stable food supply to Hong Kong and Macao was held in the province before the Chinese New Year, with the Vice-Governor of Guangdong, Mr WAN Qingliang, being the leader of the steering group on assuring a stable food supply to Hong Kong and Macao. All these are efforts to stabilize the supply of oil as well as live and fresh food to Hong Kong.

Madam President, of course, in the process of enhancing interactions, we have to negotiate with the authorities to strive for co-operation or to minimize the impact on Hong Kong. For example, the air pollution problem, which has been bothering Hong Kong for years, will only be effectively tackled with the full co-operation between the Governments of Guangdong and Hong Kong, including strengthening joint monitoring work and taking initiatives to move towards emission reduction targets.

At the beginning of this year, the State introduced a provisional import tariff on flour. After Hong Kong businessmen had expressed the opinion that this policy would create an overwhelming impact on places such as Hong Kong and Macao, the State included Hong Kong and Macao as exempted regions.

Besides, the continuous development and transformation of the Mainland economy will inevitably create impact on Hong Kong businessmen who have set up factories in the Mainland. Last year, the Central Government released Public Notice No. 44 to adjust its policies on the processing trade. 1 853 categories of commodities were included in the Catalogue of Restricted Commodities on Processing Trade and the requirement of paying standing book deposit was imposed on Type A and Type B enterprises engaging in the processing trade on restricted commodities, which would incur additional costs for 45 000 Hong Kong-owned enterprises engaging in the processing trade in the Pan-Pearl Delta Region. Subsequently, after Hong Kong businessmen had expressed their opinions to the Central Government through various channels, the Ministry of Commerce, the General Administration of Customs and the China Banking Regulatory Commission jointly released Public Notice No. 71, allowing Hong Kong enterprises engaging in the processing trade in the Mainland to pay standing book deposit in various forms, including cash and bank guarantees.

Madam President, in citing the examples, I wish to illustrate that the Central Government has always been very supportive of the development of Hong Kong, and interactions between various departments in Hong Kong and the Central Government as well as different provinces and cities have been developing in a positive direction under "one country, two systems". The

people of Hong Kong can genuinely feel the care and support tendered by the Central Government to Hong Kong, and never have many people taken such acts as interference.

Madam President, I so submit.

MR CHIM PUI-CHUNG (in Cantonese): President, "one country, two systems" is a very, very great idea. Of course, honestly, we seek to uphold the interest of not just Hong Kong but also that of China as a whole. We especially hope that with the success achieved in Hong Kong, such success can also be achieved in Macao and eventually in Taiwan, and this is a consideration made from the perspective of China as a whole. This is a unique opportunity for Hong Kong. Without this idea, and without Taiwan, "one country, one system" might have been implemented in Hong Kong. Members should not say lightly that there is bound to be "one country, two systems".

It has been 11 years into the transition. Judging from a very sensible perspective, more than a decade ago, especially in the 1980s, many people in Hong Kong, out of the fear that Hong Kong would be taken over by the communist party, tried every means of migrating to other places even though they did not meet the requirements. This has indeed resulted in most of them losing more than they may have gained. What is the present value of the foreign currencies they possessed back then? Of course, in recent years, the values of Canadian Dollar and Australian Dollar have increased slightly, which has reduced the loss of some of them. However, it is undeniable that the loss they have suffered financially, in their family and even in their studies is beyond measure. Nevertheless, the achievement and success of Hong Kong today are evident to all. Therefore, we have to make reference to international opinions in assessing the determination of the Chinese Government, especially the Central Government, on "one country, two systems". We have to make the assessment based on our conscience and avoid being calculating and insisting on launching attacks on issues of democracy and politics. What will be achieved with this? Having said that much, I just hope that Honourable Members will not cast doubts on the determination and wish of the Central Government to implement "one country, two systems". Of course, their bigger and more long-term goal is

Taiwan. Therefore, we should cherish the opportunity open to the people of Hong Kong, the achievement we have made and the footprints we can leave on the path of history.

As the Central Government has the determination to implement "one country, two systems", when the SAR Government is asked whether it has such determination, it will definitely reply in the positive. Even though some people had made some moves which were not conducive to "one country, two systems" during the period when Hong Kong was under the rule of the British Hong Kong Government, if they are asked now whether they have such determination, they will definitely reply in the positive as well.

President, I have to take this opportunity to talk about the Basic Law again. The Basic Law is the major law in force in Hong Kong after the transitional period. Recently, regarding the issue of Under Secretaries and Political Assistants, the SAR Government has claimed that it is definitely not in breach of the Basic Law. Regarding this, I consider that there is no *prima facie* case of breach, but its notion originates from the law of Hong Kong. Actually, the law in force in Hong Kong since the colonial era is common law. The motion today is moved by a Senior Counsel, so he should have a more thorough understanding of common law that all the legislation under common law should be abided by, and challenges can be raised against areas not covered in the law. As for areas not clearly stipulated, the so-called residual power is exercisable. However, this is not clearly spelt out in the Basic Law.

Mr WU Bangguo, Chairman of the NPCSC, specifically stated in June last year that all the powers of Hong Kong are conferred by the Central Government. Hong Kong only enjoys the powers conferred by the Central Government but not the so-called residual power. This is very clear, and he has made it very clear. His aim is probably to inform the pan-democratic camp in Hong Kong, but does it mean that the leaders of the SAR Government can ignore it or the relevant political party can even show contempt of it and not abide by it? Therefore, I do not understand why the SAR Government can boldly claim that it is not in breach of the Basic Law. Although this is not stipulated in the Basic Law, the

Chairman of the NPCSC has made it very clear. What authority do we have to raise opposition against him? Therefore, the SAR Government dared not make any comment on this at all, other than saying that no breach is involved and no law has been violated. However, the spirit and idea of "one country, two systems" have not been adhered to strictly. Regarding the appointment of Under Secretaries, it is true that this is not clearly spelt out in the Basic Law. But even so, in Article 101 of the Basic Law, reference is made to the Secretaries and Deputy Secretaries of Departments and Directors of Bureaux, but not Under Secretaries. Thus the legal issue of residual power is involved. "No reference is made" should not be interpreted as "it is allowed". Having said that, the Chairman of the NPCSC stated clearly in June that no residual power is provided. As he has said so, it means that we are not entitled to it. We have to abide by the Basic Law. In this respect, officials of the SAR Government have to undergo brainwashing.

There is yet another point about the appointment of Under Secretaries. No reference to this is made in the Basic Law. While the power of appointing Directors of Bureaux has to be conferred by the Central Government, Under Secretaries may handle the duties of Directors of Bureaux. Under such circumstances, the SAR Government has usurped the power of the Central Government, which warrants review. I am not saying that the SAR Government is downright reactionary at all, but at least it has not given play to the spirit of "one country, two systems".

Last Saturday, a statement was released by the Liaison Office. In fact, if the statement represents and is authorized by the NPCSC, it is definitely made with authority. Or else, the community will cast doubt on it. Actually, such power of interpretation cannot be exercised by the Liaison Office on its own initiative. This they must understand. Therefore, President, judging from this fact, I hope that the implementation of "one country, two systems" can begin with the SAR Government.

MR SIN CHUNG-KAI (in Cantonese): Madam President, Mr Jeffrey LAM has provided a lot of evidence just now to prove that the Central Government has done a lot of work for Hong Kong. In this respect, the Democratic Party will not raise any opposition. In fact, we also welcome the exchanges in such

domains as economy, education, science and technology, culture, health and even sports mentioned in Mr TAM Yiu-chung's amendment.

However, the major question lies in the promotion of democracy. Dr YEUNG Sum has mentioned the promotion of democracy just now. In fact, we can hardly find any evidence to prove that the Central Government has made much effort in promoting democracy. On the contrary, we can find a lot of evidence on the retrogression of democracy.

I can still recall that in 1994, all appointed seats in district boards (DBs) had been abolished. After the 1994 election, the DB chairmanship of four districts, namely Kwun Tong, Sham Shui Po, Central and Western District and Kwai Ching District, were taken up by the democratic camp. In 1997, the Provisional Legislative Council, Provisional District Boards (PDBs), and so on, were formed, and all incumbent DB members had to step down. Retrogression began after PDBs were formed. There was an increase of one third of provisionally appointed DB members. In that change, the four chairmen from the democratic camp were unable to retain their chairmanship, while only one of them, who is my humble self, was able to retain the chairmanship — after the addition of appointed members in the PDBs, I was the only chairman who succeeded in retaining the chairmanship. Therefore, it can hardly be said that no retrogression had occurred, not to mention the promotion of democracy. These are all inexplicable.

Today, the Government has mentioned district councils (DCs). The last DC election was held in 2007, and the next one will be held in 2011. From 1994 to 2011, there are altogether 17 to 18 years. For 18 years, the authorities have never guaranteed the abolition of all appointed DC seats. I believe when the Secretary gives his response later, he will not have the courage to stand up and say: "Yes, this term of Government will abolish all appointed DC seats in 2011." The Secretary does not have the courage to make such an undertaking. In that case, four more years will be needed, and it will be 2015, and subtracting 1994 from 2015, it makes 21 years. At most, the authorities will only say that the number of appointed DC seats will be reduced in a gradual and orderly manner, so after reducing half of it, it will then change the ratio from one third to one sixth, and subsequently in 2015, all appointed seats will be abolished. However, it will take 21 years to abolish all appointed DC seats, and we believe it may be the shortest time possible, and there is also the possibility that this will

not be achieved, and it will continue perpetually, and we will have to wait until after the election of the Legislative Council by universal suffrage in 2020 before the DC seats can be returned by universal suffrage.

The second point is on the election of functional constituencies. I can still recall that there are a few Members in this Council who were returned by the nine New Functional Constituencies, one being Mr LEUNG Yiu-chung, another one being Mr Andrew CHENG, and previously there was also "Ah Ngau"¹, all of whom were Members returned by the nine New Functional Constituencies. The election of the nine New Functional Constituencies was relatively more democratic, or it can be said that it had much broader-based electorates. I still remember that back then, many people could vote in the transport sector to which Ms Miriam LAU belongs, but now there are only a hundred-plus voters in the transport sector; and in the agriculture and fisheries sector, the Member will be returned by corporate voters instead. Could it possibly be progression, if not retrogression? I hope that friends from the DAB will give details on the specific progress made in the DC election and the Legislative Council election.

Of course, I know the Secretary will say that there were 20 directly elected seats in the Legislative Council in 1998; there were 24 such seats in 2000, and in 2004, there were 30. In fact, this is stipulated in the Basic Law, and this right is conferred by the Basic Law. Where the Basic Law is silent, there has been tightening wherever possible, but where relaxation is possible, no relaxation has been introduced. I think we can hardly say that effort has been made in promoting democracy.

After the reunification, all large-scale public opinion polls have shown that the people of Hong Kong have been aspiring to the expeditious realization of democracy. After 1 July 2003, members of the public have repeatedly requested the implementation of dual elections by universal suffrage in 2007 and 2008, but the decision made by the NPCSC in 2004 has ruled out the implementation of dual universal suffrage in 2007 and 2008. At the end of last year, the NPCSC made an interpretation of the Basic Law again to propose a timeframe for the so-called election of the Chief Executive of Hong Kong by universal suffrage — the roadmap is of course not yet available — but it can be said that the timeframe provided for in the Basic Law has been postponed for 10

¹ "Ah Ngau" is the nickname of former Member of the Legislative Council TSANG Kin-shing.

years. It is originally spelt out in the Basic Law that election by universal suffrage will take place in 2007 and 2008, and of course the democracy camp also hopes that it can happen earlier than 2007 and 2008, but it will involve amendment to the Basic Law.

What has the SAR Government or the Central Government done for the democratization of Hong Kong? It is to postpone the elections by universal suffrage in the years 2007 and 2008 allowed in the Basic Law to the years 2017 and 2020, which is exactly a postponement for a period of 10 years and 12 years respectively. In what way have they promoted democracy? Under the Basic Law, dual elections by universal suffrage in 2007 and 2008 are allowed, but now they will actually be conducted in 2017 and 2020. This can at most be regarded as a postponement of democracy but never the promotion of democracy. In fact, the Democratic Party has considered proposing an amendment to this amendment by replacing "promotion of democracy" with "postponement of democracy", or even by deleting the phrase altogether. However, we subsequently considered that there is no need to amend the relevant amendment because it is already evident to all. Therefore, we will vote against the amendment proposed by Mr TAM Yiu-chung. We find it unacceptable to regard this as not a "postponement of democracy".

Over the years, the Central Government has interfered in the elections of Hong Kong at various levels. It has interfered in the DC election, DC chairmen election, the direct election and the election of functional constituencies of the Legislative Council, and even the election of Deputies to the National People's Congress. What is more, the manner in which such interference is imposed has changed from being sneaky and surreptitious in the past to being open and blatant now. Let me quote the remarks made by Members of this Council. For example, Mr James TIEN said that in the DC election last year, LIN Wu, Director General of the Kowloon Sub-Office of the Liaison Office, had made proactive canvassing efforts for Priscilla LEUNG, Chairman of the Kowloon West New Dynamic, and her organization. There are also other examples, and Prof Patrick LAU also made similar remarks in 2005 (*The buzzer sounded*) Madam President, do we really accept

PRESIDENT (in Cantonese): Speaking time is up. Does any other Member wish to speak?

MR CHEUNG MAN-KWONG (in Cantonese): President, regarding the amendment proposed by Mr TAM Yu-chung today, I believe friends from the democratic camp will find that the sentence which is the most distasteful is "as the Central Government has been over the years to support the promotion of democracy this Council expresses deep gratitude".

MR MARTIN LEE (in Cantonese): Madam President, a quorum is not present at the moment.

PRESIDENT (in Cantonese): Yes, Mr Martin LEE, thank you for the reminder. Mr CHEUNG Man-kwong, please continue with your speech later. Clerk, please ring the bell to summon Members back to the Chamber.

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

PRESIDENT (in Cantonese): A quorum is now present. Mr CHEUNG Man-kwong, please continue.

MR CHEUNG MAN-KWONG (in Cantonese): Thank you, President. Honourable Members, it is not me who summoned you back to the Chamber. *(Laughter)*

Honourable Members, I consider that one of the most distasteful parts in the amendment proposed by Mr TAM Yiu-chung to the motion moved by Mr Martin LEE is the gratitude expressed towards the Central Government for the promotion of democracy in Hong Kong. Why do I find this distasteful? In fact, if we refer to the history of Hong Kong's fight for democracy, we will come to understand that since the enactment of the Basic Law by the Central Government in 1985, the Central Government has raised its opposition beginning

with the 1988 direct election, the dual elections by universal suffrage in 2007 and 2008, and then the dual elections by universal suffrage in 2012, which has lasted for 20 years altogether. In other words, over these two decades, the Central Government has not only failed to create an impression on the people of Hong Kong that it has been promoting democracy, but it has also created a strong impression on the people of Hong Kong that it is against democracy, and it has been consistently so for two decades. Just this point alone has rendered the amendment proposed by Mr TAM Yiu-chung a misnomer. That being the case, why do we have to act against our conscience and express unnecessary gratitude in this motion on the promotion of democracy?

Secondly, I consider this distasteful because even though the Central Government has undertaken to allow for the possibility of implementing universal suffrage in the election of the Chief Executive in 2017 and the election of the Legislative Council in 2020 at the earliest, a possibility is not an obligation. At least the problem of whether or not a high nomination threshold will be set for the Chief Executive election has not been resolved. At least some officials in the Central Government or even Chief Executive Donald TSANG still regard the election of functional constituencies as an election by universal suffrage. Therefore, it is not known whether universal suffrage will really be implemented in 2017 and 2020. When it remains uncertain whether or not it will actually be implemented, why do we have to express our gratitude and speak against our conscience?

The trickiness of Mr TAM Yiu-chung's amendment lies in the fact that in the amendment, the gratitude expressed towards the Central Government for promoting democracy is written in black and white, but in the debate, he has not mentioned any concrete example at all. As such, on what basis could he express gratitude towards the Central Government? On what basis could he conclude that the Central Government has promoted democracy? In the amendment, he has mentioned the gratitude for the support that the Central Government has given to Hong Kong in such areas as economic development and the improvement of people's livelihood, which is also shared by the Democracy Party. However, there is something particularly absurd about his adding the phrase "promotion of democracy" for no reason at all. Why has he done so? One obvious reason is that it is politically necessary to verbally express gratitude to the Central Government for promoting democracy, and such wording is also required in the interest of political correctness. Otherwise, if deep gratitude is expressed in the motion for the Central Government's support for Hong Kong in

areas of economy and people's livelihood, while just leaving out the aspect on the Central Government's promotion of democracy, will it be an intentional omission? In fact, this will, in a way, sling mud at the Central Government, as if saying that it has not made full efforts in promoting democracy.

However, the gratitude expressed verbally is actually lacking in substance because facts speak louder than words. The Central Government is indeed suppressing democracy in Hong Kong. Even if the DAB is running after the Central Government along the path of retrogression, and even to the point of whizzing, under such circumstances, how can it genuinely produce concrete examples of gratitude in writing? Therefore, he is really short of rhetoric and can only leave the content blank. Therefore, on this point, Mr TAM Yiu-chung is in fact an honest man. The title he has provided is inconsistent with the content, which reveals that while the letter of this amendment is just a political formality, he dared not fabricate the content. This has led to what I have referred to as a tragedy. The tragedy is that having been aspiring for, fighting for, pursuing and promoting democracy for as long as 20 years, the people of Hong Kong can only experience suppression and continuous retrogression instead of support and understanding from the Central Government. To date, all the gratitude is well substantiated, except for the part on democracy. Even if it seeks to flatter, the means is lacking. This is the problem, and this is also why many people in Hong Kong are aspiring for democracy.

Therefore, on this issue, let bygones be bygones, and what we have to face in the future is the years of 2017 and 2020. Hong Kong has yet to witness whether democracy will really be realized or it will still be an empty promise. If the Central Government is really prepared to promote democracy in Hong Kong, the major touchstones will be the undertaking in relation to the years 2017 and 2020 and the implementation details of a democratic system. Regarding this issue, the undertaking set out in the Basic Law that the Legislative Council of Hong Kong will be returned by election and the executive will be accountable to the legislature has not been honoured in the past 20 years because this form of election is not universal suffrage. I only hope that concrete policies for dual elections by universal suffrage will really be formulated in Hong Kong in the future years of 2017 and 2020. Thank you, President.

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

MR ALBERT CHAN (in Cantonese): President, I am somewhat disappointed that except for friends from the Democratic Party, not many Members, especially friends among the royalists, have spoken. It seems that they are trying to evade the issue today, unwilling to state their stance on this motion. Political groups, political figures and elected Members, be they returned by direct election, indirect election or those preordained, are all reluctant to state their stance in this Chamber. This clearly shows that there are many inherent fundamental problems in the motion itself.

Some Members have, in good conscience, chosen not to speak because they have refused or are reluctant to speak against their conscience. Some Members are reluctant to speak lest they will become an object of ridicule in speaking on this motion because they know that they are in the wrong. Some Members are reluctant to speak in order to avoid leaving a record, which will overtake their previous decisions, in black and white in this Chamber to be retained as part of the literature. Some other Members may be worried that as the September election is drawing near, they will lose their votes if they make any remark which is pleasing to "Grandpa" but not to the members of the public, and thus they dared not speak. As Members and representatives of public opinions, being reduced to such a deplorable state is the biggest joke of all. It is a tragedy of Hong Kong politics, and this Council. If your grounds are sound, you should come forward and talk. If you are not bothered by a guilty conscience, you should come forward and express your ideas. Their adoption of such a sneaky and evasive attitude has exactly reflected the absurdity of the existing system.

President, actually I said a year or two ago that "one country, two systems" had long since disappeared. Mr Martin LEE is the pioneer and leader in democracy whom I respect very much, and I fully agree with his wishes. However, taking a retrospective view of the objective facts, we can see that not just the political system but even the economy, social affairs, culture, sports, and almost every domain in Hong Kong are now under the full control of the Central Government. In November last year, on the evening after the District Council

election, I delivered a very clear message to the media, that the elections in Hong Kong in the next 10 years, especially geographical elections, would definitely be led by the DAB. It is because what the democratic camp and the members of the Hong Kong community have to face is not the organization of the DAB in Hong Kong, but a government with 130 billion people. We have to compete with the Government of the People's Republic of China under the leadership of the Communist Party of China. How can we compare with them in terms of human and financial resources?

I have some friends from the local community who had been fully supporting the cause of democracy in the past. After they had been invited to a meal by a secretary in the government of a town before the last District Council election because of some work relationships with the Mainland, they said to me, "Sorry, Hulk, I will no longer be able to show up in this election". I do not blame these friends because what they face is the issue of finance and livelihood.

Just now, Mr CHEUNG Man-kwong mentioned the amendment proposed by Mr TAM Yiu-chung and considered that it is problematic. However, I do not think so. It is because Mr CHEUNG Man-kwong does not understand the democracy referred to by Mr TAM Yiu-chung. The DAB must express gratitude to the Central Government for promoting democracy in Hong Kong because for the DAB, democracy is the "democracy" of the Democratic Alliance for the Betterment and Progress of Hong Kong. The DAB can enjoy the present status, power and treatment because it is under the tender loving care of the Central Government, which has made the DAB able to summon winds or rain, get financial and human resources and enjoy status and power whenever they so wish. Basically, with the development so far, it has completely established its connection in this complicated personnel network in Hong Kong. It has established a territory-wide organization and networks at various districts. There is actually no way for members of the public to escape the control of their networks. Senior officials of the Hong Kong Government are also among those under their control. Whoever is willing to bow to the north will be able to remain in office, and those who make the slightest grumblings will be demoted at whim.

Therefore, I think the motion proposed by Mr Martin LEE today will only serve as a record in historical literature for the virtuous and good wish of our "Uncle of Democracy", our "Father of Democracy". The cruel political reality has clearly pointed out that "one country, two systems", with its development so far and a decade after the reunification, exists only in name. In fact, if it is made clear earlier, everyone will know that whenever there is any problem in the future, we can simply stage a petition in Beijing. It is actually meaningless to discuss with the uncles and aunts in Hong Kong. They are just running dogs acting like a donkey in a lion's hide and making a show of force.

Therefore, President, I will certainly continue to give my full support to the motion moved by Mr Martin LEE today, and I will continue to follow his footsteps in the fight for democracy, but I believe the motion today will ultimately not be passed in this Chamber. Thank you, President.

MR HOWARD YOUNG (in Cantonese): Madam President, the implementation of "one country, two systems" and "Hong Kong people ruling Hong Kong" with "a high degree of autonomy" by the Hong Kong Special Administration Region is adequately protected under the Basic Law. Chapter 1 of the Basic Law, "General Principles", makes it clear at the outset that the National People's Congress (NPC) authorizes the Hong Kong Special Administrative Region (SAR) Government to exercise "a high degree of autonomy" and enjoy executive, legislative and independent judicial power, including that of final adjudication, in accordance with the provisions of the Basic Law. Article 22, Chapter 2 of the Basic Law also stipulates that no department of the Central Government and no province, autonomous region, or municipality directly under the Central Government may interfere in the affairs which the SAR administers on its own in accordance with the Basic Law.

At the beginning of the debate, the speech delivered by Mr Martin LEE gave me the feeling that he seemed to be criticizing or attacking the Central People's Government Liaison Office (the Liaison Office). I have also noticed that Mr Jeffrey LAM has said just now on behalf of the Liberal Party that the Central Government has all along been adhering to the solemn undertaking on "one country, two systems", and "Hong Kong people ruling Hong Kong" with "a high degree of autonomy", and has been very supportive of the various exchange

activities between Hong Kong and the Mainland in such domains as economy and people's livelihood. Much of such support has actually been provided by the Liaison Office.

It is widely known that in order to achieve this, the Central People's Government offices, such as the Liaison Office mentioned just now, have played a major bridging role in communication, which includes co-ordinating with different sectors of the Hong Kong community, providing support in liaison and the arrangement of activities by the government and organizations in Hong Kong and in the Mainland, and assisting the Central Government in understanding the economic and social needs as well as the needs of Hong Kong people in living, so as to expeditiously formulate complementary policies in response. These are undoubtedly efforts which help promote the development of the SAR and facilitate further understanding between the Mainland and Hong Kong. However, we should never phrase it as interference in the SAR's internal affairs.

In fact, in the Six-monthly Report on Hong Kong promulgated by the United Kingdom Government in March this year for submission to the Parliament, Foreign Secretary David MILIBAND pointed out very clearly in the introduction of the Report that in principle, "one-country, two systems" continues generally to work in Hong Kong, and the rights and freedoms guaranteed in the Joint Declaration have been respected. In July last year, the Department of State of the United States pointed out in its most recent US - HK Policy Act Report that Hong Kong continues to enjoy a "high degree of autonomy", maintain its dedication to the rule of law, and enjoy respect and protection for various human freedoms and civil rights. From this, we can see that the international community does not consider that the Central Government has interfered in the internal affairs of the SAR.

On the other hand, since the reunification, the confidence displayed by members of the Hong Kong community in "one country, two systems" has never been greater. According to the result of a public opinion poll conducted in April this year by a public opinion survey centre of the University of Hong Kong, as many as 77% of those interviewed have expressed confidence in "one country, two systems", as compared with only 17% who have expressed a lack of confidence. This is the highest figure recorded since the centre started its survey on the confidence of Hong Kong people in "one country, two systems" in

1993. The survey has revealed that as the people of Hong Kong have experienced the return of Hong Kong to China and the establishment of the SAR Government and witnessed the implementation of "Hong Kong people ruling Hong Kong" with "a high degree of autonomy" over the past 15 years, they are more and more confident about the implementation of "one country, two systems" by the Central Government. Facts speak louder than words. If the Central Government and its departments had interfered in the affairs of the SAR, as implied in the original motion, the international community would not have re-affirmed "one country, two systems", and such a high figure indicating the existence of confidence in "one country, two systems" would not have been recorded in the public opinion poll.

Finally, I have also noticed that the speeches delivered by many Members just now have evolved from initially attacking the Liaison Office to attacking the DAB. I have to make a fair comment. I also think that the Central Government has provided support to the democratic development in Hong Kong. For example, the decision made by the NPCSC on the timeframe for the development of universal suffrage in Hong Kong has set out that at the earliest, the election of the Chief Executive by universal suffrage may be implemented in 2017 and universal suffrage may be implemented for the subsequent Legislative Council, that is, in 2020. This has had positive effects on the development of a democratic system in Hong Kong. Now, as long as we can arrive at a consensus on the pace and mode of constitutional development, we can move towards the ultimate goal of universal suffrage. I so submit.

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

MS EMILY LAU (in Cantonese): President, I rise to speak in support of Mr Martin LEE's motion. This is the last motion proposed by Mr Martin LEE in the Legislative Council — it is his final shot, President. However, even this final shot will be negated.

I believe that on such a sensitive topic involving the Central Authorities, the Secretary in charge will, just as in his speech on the last occasion, have little to say. Even though we have amended the Rules of Procedure to specify that

Secretaries shall speak at the beginning, he is unwilling to do so. He was like this last week, and he is also like this this week.

I believe the public hopes that principles such as "one country, two systems", "a high degree of autonomy" and "Hong Kong people ruling Hong Kong" can truly be implemented in accordance with the Basic Law. If we want to implement them, the most important thing is that the Central Authorities must not interfere with the affairs of the SAR. However, nowadays — what does "nowadays" mean, President? This refers in particular to the period from 2003 to the present, as the mass rally in that year infuriated and shocked Beijing very much. Innumerable people were subsequently dispatched to Hong Kong to look into various matters. In fact, there was hardly any need for the Central Authorities to look into anything. Hong Kong people had already told the Central Authorities that TUNG Chee-wah was totally incompetent. Subsequently, the Hong Kong Government has to seek instructions from the Liaison Office and Beijing on all issues, big and small. As a result, in recent years — even the business sector knows this — the best description now is that "the Western District controls the Central District".

In view of this, the demands made by Mr Martin LEE in this motion are in fact very courteous. He requests that the Liaison Office be "strictly required" not to cause interference but in fact, the interference is terrible. It wanted to interfere even when I ran for the post of Chairman of the Finance Committee. What did the official of the Liaison Office say in response? He said that he had not come to the Legislative Council Building to interfere. It turned out he had just rung up Members and whoever had received his calls, please just raise your hands. Members, in view of such interference and the fact that it wanted to interfere even with the election for a post in a Committee of the Legislative Council, there is hardly any need to talk about the public elections, the future election of the President of the Legislative Council, the elections for other posts or the small-circle election.

Now, the President has said that the Legislative Council elections will be held in September and some people are lambasting us, saying that the lot of us are very lazy, not doing anything to date. In fact, who is now working the hardest in Hong Kong? It is the Liaison Office. Their people are going everywhere to establish ties and carry out co-ordination, so that in-fighting in the

pro-Beijing camp can be avoided by all means and the pro-democracy camp suppressed. In fact, such interference is nothing new. Before 1997, the Xinhua News Agency also did this frequently. After that, the Secretaries of the SAR Government probably told those people clearly that they supported the interference. If this kind of things have happened and if such interference exists, how possibly can there be "a high degree of autonomy" and "Hong Kong people ruling Hong Kong"?

For this reason, Mr TAM Yiu-chung's amendment really makes one double up with laughter. He said that the Central Government supports Hong Kong in promoting democracy, but we have had debates on this for at least a dozen times in the Legislative Council and what we have been saying is that the Central Authorities are hindering the development of democracy. He can go so far as to put this down in the amendment, so he is really telling naked lies. The Central Authorities made interpretations of the Basic Law, forbade Hong Kong from doing this and that and now, it said that in 2017 the universal suffrage in 2017 will not be genuine. Why? Because there will be a threshold when universal suffrage is introduced in 2017. A nomination committee has to be established and that group of people who cannot go back to the Mainland and even Mr Alan LEONG, who can go back to the Mainland, will not be allowed to run in the election. Can such so-called "one person, one vote" election be called universal suffrage?

It is said that universal suffrage can be introduced after 2020. However, due to the great contribution made by the functional sectors to the economy of the SAR in the form of over 90% of the Gross Domestic Product, they will have a role to play. How will they play their role? Well, they will be allowed to nominate some people to run in the elections, just like throwing some breadcrumbs to the ground, so that people can fight for them. Can this be called universal suffrage? This measure is dictated by the instruction of the Central Authorities and should it be regarded as a grace bestowed on us? President, therefore, this move is described as the promotion of democracy. Even the President is smiling. *Ha ha ha*. Really, if doing so is described as "promotion", it would also be difficult for you to agree with this, would it not? It would be difficult for all of us to agree, only that all of them Look, how happy they are!

PRESIDENT (in Cantonese): Ms Emily LAU, please face the Chair when you speak.

MS EMILY LAU (in Cantonese): President, I am facing you. However, President, since I have to look around when I speak, since it is them who have made such claims, I have to look at them, then look at you again, President. Therefore, I think that However, I have to respond to the remarks made by Mr Howard YOUNG. He said, "Can't you see the results of public opinion polls? The ratings on various matters in public opinion polls are so high."

President, you also got very high ratings in public opinion polls, so you surely know the reason for this. In the last few years, when the mass media in Hong Kong cover news, have they ever truly criticized the Central Authorities in any significant manner? Did they ever report any controversial news? President, I come from the mass media, and how do they do their work? They tread warily and dare not cover many controversial issues. The news reports of the mass media affect public opinion and if the mass media castigate someone day after day, will his reputation not suffer? If the mass media sing praises of someone day after day, saying that he is wonderful, his reputation will be elevated. Do Members not know about this kind of things?

Therefore, I also call on Members to make visits to the mass media, in particular, to the senior managers of the mass media and television stations because they have the greatest influence and the pressure exerted by them is also the greatest. No matter how much coercion or inducements these people are subjected to, they should ask their own conscience whether what they do as a result can win the hearts of the people. President, for this reason, not long ago, people in the pro-government camp also published an article asking whether the hearts of the people have reunited with the country a decade into the reunification. Now, some people say that we can see that people's hearts have already reunited with the country simply by looking at the public opinion polls.

Members, we are representatives of the public, but many among us cannot go back to the Mainland. Please ask our voters if they think they have completely reunited with the country. Mr TAM Yiu-chung's amendment talked about exchanges and co-operation but, President, how can exchanges be carried out? For a decade, we could not even have a word or two with officials of the

Central Government; we have been barred from going back to the Mainland and Home Visit Permits have not been issued to us. Can all these moves be considered the great achievements of the Central Authorities? This is really outrageous.

Therefore, even though he made it out this way, in fact, there are still so much interference, be it interference in the business sector, in politics or in society. Moreover, even we, as representatives with popular mandate, are not allowed to go back. At present, he is bent on opposing this motion moved by Mr Martin LEE. All right, we will just let him oppose it and this will again be an instance of "everyone loses". However, I believe that the time when the hearts of people will reunite with the country will depend on the Central Authorities and on Hong Kong.

MR JASPER TSANG (in Cantonese): President, in the past two days, Mr TAM Yiu-chung led a delegation of the DAB on visit to Taiwan and I also had the honour of being part of the delegation and having exchanges with the officials in charge of various areas and the politicians there. When we had talks with the President of the Legislative Yuan of Taiwan, Mr WANG Jin-pyng, someone asked his colleague if there were still any scuffles. The latter said that there was no longer any. Why? He said that it was because their people outnumbered the other side but more importantly, they knew that the public were tired of this and if they were involved in any more scuffles, the public would forsake them in disgust and would no longer like them.

The political sector in Taiwan has realized this, but people in the so-called pro-democracy camp in this legislature still think that continuing to insult people, resorting to verbal violence, yelling "running dogs" and "eunuchs" or shouting with raised eyebrows and bulging eyes will win other people's support. However, they do not realize that the public are tired of this sort of things. They also said that the reason for the DAB coming out on top in last year's District Council elections was that it had the support of the Liaison Office, so it could get whatever it wanted. If it wanted money, people, power or influence, it could get them.

Once upon a time, before the reunification, our Mr Martin LEE used some impassioned and grand rhetoric, saying that the biggest electioneering team of the Democratic Party was in Beijing because whenever those officials in Beijing came out to make comments, the Democratic Party would get more votes. However, it turned out that this is not the case. The DAB was founded more than a decade ago and in the first few years, its rate of public support was often just a single-digit percentage. However, at that time, the rate of public support for the Democratic Party was some 20% to 30% and we were really lagging far behind them. However, we now know the reason for this, and Ms Emily LAU has also pointed out the reason for this. The reason was that if one was lambasted and framed up by the mass media day after day regardless of whether the lambasting was justified or not, one's popularity rating will naturally be low. If one is highly praised by the mass media no matter if one is working in earnest or not, one's popularity rating will be high. So such was the cause of the situation at that time.

I think the mass media are more honest nowadays and they will cover whatever should be covered, praise whatever should be praised and criticize whatever should be criticized, so the press reports nowadays are more accurate and some people's popularity rating may rise while that of other people's may fall, is that not so? They have really won my admiration. When their popularity rating was favourable to them, they would say that they have done a good job, that this was public opinion and they were the representatives of the public. When public opinion polls were unfavourable to them, they would saddle the blame on the mass media. In the past, they often accused us of passing the blame onto the mass media, saying that if we were incompetent, we should not pass the blame onto the mass media. Now, I wonder who has passed the blame onto the mass media. Who is resorting to verbal violence and castigation? Do they think that doing so can win them votes?

Have the Central Authorities promoted democracy in Hong Kong? I wish to remind Mr CHEUNG Man-kwong that the Sino-British Joint Declaration mentions that in the political system in Hong Kong, the Chief Executive shall be selected by election or through consultations held locally and the two words "universal suffrage" are not mentioned. The Sino-British Joint Declaration also only says that the Legislative Council or the legislature will be formed by elections. The Basic Law was passed by the National People's Congress of the People's Republic of China and universal suffrage is stipulated therein. The Basic Law is a law passed by China or the Central Authorities and universal

suffrage is stipulated therein, so is this not an advancement of democracy? Before the signing of the Sino-British Joint Declaration, the system was only one of appointment and the Governor was appointed by the United Kingdom to Hong Kong. It was only with the signing of the Sino-British Joint Declaration that the Chinese Government held talks with the United Kingdom. When the Basic Law was passed by the Central Government of China, was democracy not taken forward?

I will not dwell on things of the distant past. When the SAR Government put forward the constitutional reform proposals in 2005, Members in the pro-democracy camp also talked about public opinion polls at that time. The results of public opinion polls had all along indicated that over 60% of members of the public supported the proposals. The action taken by the Central Authorities at that time was to find an old gentleman called QIAO Xiaoyang to invite Legislative Council Members of the pro-democracy camp to Shenzhen to beseech them. He said he understood that the Hong Kong public wanted a timetable, but they also wanted the Fifth Report regarding the constitutional reform proposals to be passed. He said that public opinion supported the proposals and it was also public opinion that a timetable should be made available. He requested that Members should not bundle these two issues together, but should deal with them separately. QIAO Xiaoyang said that if the constitutional reform proposals were approved, democracy would take a step forward and universal suffrage would not be too far away. This is how he pleaded them and, as it turned out, public opinion also supported this.

Frankly speaking, we all know full well that in the Democratic Party, the ADPL and the pro-democracy camp, many people supported the proposals and wanted to see them passed but since those big shots said no, they could not be passed. I wonder who actually prevented their passage. That was something that all of us do not understand. As soon as they were negated, the first thing that Mr Martin LEE said on seeing me outside was that we were the happiest people, that the DAB was the happiest about this. We voted in favour of them, but they were negated. That was how the situation was like. May I ask who is impeding the progress of democracy and who is promoting democracy?

When the State President, HU Jintao, visited Hong Kong on a number of occasions, he also said that he wanted to promote democracy. This is what he said on each occasion, and he is true to his words. Now, when the timetable on

universal suffrage has to be approved, Ms Emily LAU sounded as though she were the authority, saying that the Central Authorities would bar Mr Alan LEONG from running in the election and this or that person would also be barred from running in the election. However, I have never heard officials of the Central Authorities say anything of the sort. Where did she get this kind of information?

As regards Mr Martin LEE's original motion, really, what else can one say? Because Mr Martin LEE has all along adopted the same principle, that is, "the United States may steal a horse but China may not look over the hedge".

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

MR LEUNG KWOK-HUNG (in Cantonese): President, I thank Mr Jasper TSANG for giving us such an excellent history lesson. I remember that in 1949, the late MAO Zetung said that the Chinese people had stood up. If we look up the Constitution of China, we will find that it states that all representatives of the people shall be returned through elections, so there is democracy by the people. I wonder if China nowadays has progressed or regressed. If we make a judgment according to the principles on which China was founded, we have definitely regressed. Will people who made China regress bring progress to Hong Kong?

Mr TSANG has been through it all. I have many friends who, whenever an incident had happened and there was a glimmer of hope in China, would follow the lot and with their eyes brimming with tears, would brave the rain to join rallies and shout "down with Deng, Li and Yang". They also wanted to see progress and I appreciated this. At that time, I saw these people in the crowd, fighting and jostling with one another in coming forward, with tears flowing down their cheeks. After the 1989 pro-democracy movement, Mr Jasper TSANG still had the mettle to continue to talk about the 1989 pro-democracy movement in school and to pursue responsibility for the 4 June massacre, sing the national anthem and talk about the history of the national anthem. Now, he no longer does that.

Members, I have all along disapproved of the "one country, two systems" principle. I think "one country, one system" would be the best and that means

by then, there will be democracy as well as social justice in China. At present, has China ever promoted democracy in Hong Kong? This is very simple. Annex II stipulates that amendments must be made with the endorsement of the Legislative Council and the consent of the Chief Executive, then the Chief Executive should report them to the Central Authorities for the record. This is what is set down in Annex II, but QIAO Xiaoyang has changed it. He told all the people in the pro-democracy camp to come to him, then told them that the Legislative Council no longer had the power to initiate amendments, that in future, the Chief Executive, who was designated by the Central Authorities, would conduct a series of public opinion polls and he would have the say. After that, some deceptive proposals were devised for the public to choose. When public opinions were divergent, it was then said that our views were divergent, so we did not deserve to have democracy.

Is the DAB promoting democracy? For how many times have the party platform of the DAB been revised? It once proposed that universal suffrage be introduced in 2007 (I cannot recall the details now), then it proposed the year 2012. All in all, it was "Master Qiao" who told them to go to Shenzhen and gave them a lecture, subsequently, they made the change, is that not so? The reasoning is very simple. If you are serious about promoting democracy in Hong Kong, why not tell "Master Qiao" that we should have got democracy long ago? If it had not been for his underhand tactics of altering Annex II, at least, the pro-democracy camp could have tabled a proposal on introducing dual elections by universal suffrage in 2007 and 2008 in this Council for voting. There would have been no need to make conjectures and everyone would have had to vote. Moreover, there would have been two proposals instead of one that we had to either take it or leave it

PRESIDENT (in Cantonese): Mr LEUNG Kwok-hung, please face the Chair when you speak.

MR LEUNG KWOK-HUNG (in Cantonese): I am speaking to him he was criticizing other people just now President, I have also looked at you when speaking. I have great respect for you.

PRESIDENT (in Cantonese): This is the requirement of the Rules of Procedure. In fact, I do not particularly wish that you face me when you speak. (*Laughter*)

MR LEUNG KWOK-HUNG (in Cantonese): All such matters have objective tests, have they not? It does not matter if our political views are different.

Let us talk about WANG Jin-pyng of Taiwan again. Do they not feel ashamed of themselves? The Democratic Progressive Party (DPP) was formed only in 1986 and it was a political party which the authorities targeted by making arrests. Now, universal suffrage is practised in Taiwan and this is why we can meet with WANG Jin-pyng. Otherwise, we could only visit him in prison. WANG Jin-pyng said that no matter how they fought with one another, they could still vote and no matter how corrupt CHEN Shui-bian was, they could still vote him out of office. President, is that not so? Is this possible in Hong Kong? No.

Mr TSANG could see this and that about WANG Jin-pyng and I can also see that what CHEN Shui-bian did would not work. He could not do such things with Kosovo. There is no point in mentioning this person called WANG Jin-pyng. In future, WANG Jin-pyng may come out again when the Kuomintang shares its booty. In that event, they probably would not fight but may snipe at each other. Therefore, what Mr TSANG said was specious.

Nowadays, the elections are fair elections. Due to the changes in the political scene, some members of the mass media think that they have to side with the Communist Party of China or the DAB and this cannot be helped. I also have sympathy for them. I once told those reporters that in conducting our lives, we had to have a good grasp of the situation in our mind and grasp the changes in the mass media industry. In the past, when the British-Hong Kong Government was in power, the mass media were prone to supporting the Government. In the past, when the British-Hong Kong Government was in power, it trampled on a group of people, including Mr TSANG, so they had a lot of grievances and they want to have revenge now. And now, in a reversal of situation, the mass media are siding with them, so in turn, they are asking us if we are feeling aggrieved. In doing so, do they want to follow the example of kids who fight with one another? Do they want to sling mud at one another? We are now talking about fairness.

For this reason, what is the whole problem? Today, if all political parties and groupings in the Legislative Council think that dual elections by universal suffrage must be introduced in 2012, on hearing this, the Central Authorities would know that there is an adequate popular mandate. However, it is them who do things the other way round by saying, "It is those people who disagree, not us." Is this not so? How can they criticize other people?

It is no big deal to win or lose in elections and perhaps in future, the DAB or other political parties and groupings may become the ruling party in a most extraordinary system of universal suffrage. There is no problem with this, and I do not think there is any problem either. However, we have to think about this: Hong Kong is part of China and if there is no democracy or there is only bogus democracy in Hong Kong, in these circumstances, will there be genuine democracy in China? Conversely, if there is no genuine democracy in China, will there be genuine democracy in Hong Kong? This is the core of the problem.

We were worried because we had inherited a historical problem, so the "one country, two systems" principle was adopted. But it was utterly wrong. If there is democracy in China, if there is socialism in China, be it democratic socialism or socialist democracy, it will always be 100 times better than the past. In that case, will the DAB agree with this? The "one country, two systems" principle advocated by DENG Xiaoping was only a tactic to play for time. He also advocated liberal socialism, but where is China heading now? It is heading towards state capitalism. Where are we heading now? *(The buzzer sounded)*

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

MR ANDREW CHENG (in Cantonese): Madam President, concerning today's motion, Members have debated similar topics time and again in the past few weeks. Of course, I believe this kind of topics has been repeatedly debated in the legislature in the past few years or after the reunification.

In a number of debates in the past, what impressed me deeply was the patriotic sentiments mentioned by Members. This motion on the "Implementation of 'one country, two systems'" once again dichotomized the patriotic sentiments of the Honourable colleagues in the legislature by describing the attitude of the pro-democracy camp towards "one country, two systems" as

subjective and distrustful of the Central Government, or even as being excessively demanding on democracy, while other people criticized us for not supporting the latest constitutional proposals.

I understand the stern remarks made by Mr Jasper TSANG just now and I could sense some passion. When he talked about the high degree of support that the DAB now commands, the inability of the Democratic Party or the pro-democracy camp to get such support and the various issues relating to the mass media, I could sense that Mr Jasper TSANG was quite passionate and I wonder if I should call it panache. However, this really shows that he has confidence in moving in the direction of taking up the reins of rule. However, I hope Mr Jasper TSANG will understand that, as Mr LEUNG Kwok-hung said just now, we do not care which political party will come to power; the trouble is that even the Legislative Council does not know when we can move towards universal suffrage and when it comes to political parties assuming a governing role, it seems that now only Mr Donald TSANG's "government party" is capable of doing so.

If Members do some calculations, the Directors of Bureaux, Under Secretaries and even Political Assistants appointed by Donald TSANG will cost \$500 million in the next five years. This sum of money will be spent on training the members of his "government party". I think Hong Kong people will definitely bear in mind this sum of money — I can see that the President is nodding, but I do not know if you are nodding while reading your e-mails or if you agree with my views — but I think such a mentality of the public is growing stronger and stronger. What has this kind of mentality led to? To an emphasis on personnel planning instead of introducing a stringent system. What we hope for is the introduction of a good system and institutions instead of the different preferences of different people, such that people are pleasing various leaders of the Central Authorities according to their likes and dislikes. Of course, in the past, it was the Xinhua News Agency and now, it is the Liaison Office.

I remember that a friend once asked me a very good question. He said that he could often hear radio stations or newspapers reports say that the "Western District" held such and such views, that there was such and such a centre in the "Western District". He asked me if it was not true that the Government Headquarters were located in Central District. This friend of mine really does not know much about politics. He really thought that just like many countries or cities, the Government Headquarters would gradually move to

places like the Western District or Quarry Bay. This joke tells me that in fact, in the present political scene, the "Western District" has already established an invisible political nexus and this invisible political nexus in fact poses great risks to Hong Kong society, which traditionally respects the rule of law and institutions.

I also understand that the Central Authorities definitely do not want Hong Kong to fare badly. Many Honourable colleagues said just now that the Central Authorities had provided a lot of resources, for example, by introducing the Individual Visits Scheme during the SARS outbreak. We can fully feel the good intentions of the Central Authorities on Hong Kong. Precisely for this reason, we hope all the more that the Central Authorities will understand that we wish Hong Kong to fare well and we are taking a correct path to achieve this end, instead of adopting the approach and direction of relying on connections and the rule of man.

Just now, I also heard Mr Jeffrey LAM speak and he talked about the Olympic Games. Precisely because he talked about the torch relay of the Olympic Games, I felt that we had no idea what actually influenced the Liaison Office or the Central Government behind the scenes, such that the Central Authorities had the thinking that senior political figures who were totally irrelevant to the sports sector could also become torch bearers. This also made me feel that although all of us want the Olympic Games to be a success, the torch relay was highly politicized. This situation shows me that in fact, the Liaison Office has done a lot of things behind the scenes.

Concerning the issue of nationality, I have paid attention to it for a long time and I wondered why the Chief Executive, Donald TSANG, has not given any response to this. It was not until the Hong Kong China News Agency reported that apparently, the Central Authorities also held that the Under Secretaries should give up their overseas nationalities in order to show their commitment to political accountability that he gave a response. I think the Chief Executive, Donald TSANG, must have jumped up immediately on hearing this comment. This comment means that the Central Authorities had also queried why the Chief Executive would find people with the right of abode in the United Kingdom or other foreign passports to take up the posts of Under Secretaries. So, on the face of it, the Central Authorities praised the several Under Secretaries who had given up their foreign nationalities, but this is in fact an implicit criticism of the Chief Executive. As a result, the Chief Executive

had no alternative but to come out to make a high-profile apology. This is one of the best recent examples showing that our SAR Government has to pay close attention to the thinking of the central leadership.

Some people may say that this is all very natural. Nevertheless, I hope the Central Authorities and the SAR Government can understand that if the SAR Government wants to establish a good and stable system, it should sort out its links to various ties — all ties will claim that they are important — if their bureaucratic careers are affected due to the wrong ties, this will be a big problem. *(The buzzer sounded)*

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

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 on Mr Martin LEE to speak on Mr TAM Yiu-chung's amendment. You have up to five minutes to speak.

MR MARTIN LEE (in Cantonese): President, Mr TAM Yiu-chung's amendment reads like this, "as the Central Government has been proactively taking measures over the years to support the promotion of democracy this Council expresses deep gratitude and hereby expresses support to the Central Government (sic) continuing to abide by the provision in the Basic Law". Where is the problem? Have the Central Authorities really taken proactive measures to promote democracy over the years? Mr Jasper TSANG also said that, of course, the Joint Declaration only mentioned elections but not universal suffrage and on the selection of the Chief Executive, it only talked about consultation, whereas the Basic Law provided for universal suffrage, so there were stipulations on universal suffrage. However, he did not mention Annex I and Annex II of the Basic Law. The drift of these Annexes is that in fact, the introduction of dual elections by universal suffrage in Hong Kong in 2007 and 2008 is allowed, so why have there been delays? Thanks to the proactive measures taken by the Central Authorities to interpret the Basic Law, the pace of

democratization was slowed down. I find this unacceptable. After expressing deep gratitude, the amendment goes on to say that this Council "expresses support to the Central Government (sic) continuing to abide by the provision in the Basic Law". In other words, if this amendment is really passed, that means we support the Liaison Office in continuing to bar us from going back to our homeland and interfere with the elections and various internal affairs of Hong Kong, and we also support the Central Government in continuing to deny us true democracy. Therefore, we find this unacceptable.

Dr YEUNG Sum asked why the DAB had to thank the Central Authorities for promoting democracy. The question is what sort of democracy they are promoting. They are promoting "DAB", or "Democracy According to Beijing". As Mr Jasper TSANG often says, they have to support this kind of democracy so that their influence can grow. If all the seats are returned through universal suffrage, will the DAB be so awesome?

What I found strange and quite shocking was Mr TAM Yiu-chung's remarks. He said that when he looked at my original motion, initially, he felt that it appeared to be more or less the same as Article 22 of the Basic Law. However, on looking at it more closely and after hearing my remarks, he felt that he had to propose an amendment. However, I had not yet said anything at that time. When he proposed his amendment, I had not yet said anything, so was he so clever, or had the fax machine at my home been tempered with? This is probably because a staff member of the Democratic Party had faxed the speaking notes to me. Although I did not receive the entire copy of the speaking notes, we had transmitted it several times and talked about it over the phone. Therefore, the bugging technology nowadays is really formidable. Otherwise, how could he possibly have learnt about my speech? He is really something. Therefore, I hope Members of the pro-democracy camp will really be more careful. Otherwise, the DAB will know what we talk about.

Originally, the Secretary had the opportunity to speak but he said he would do so later. Why? He was given two chances to speak but he did not want that many. He only wants one chance and the reason is in fact very clear. Because if he had spoken just now, what he would say would have been the same as what Mr TAM Yiu-chung would say. It will definitely be like this because frankly speaking, I would find it strange if the Secretary's approval of this amendment had not been sought. It is obvious that Mr TAM Yiu-chung has good communication with the Government and we all know this, do we not? He is a

member of the "government party". For this reason, the Secretary could not speak just now and he can only do so later because when he speaks later on, all of us would have forgotten what Mr TAM Yiu-chung has said, so his speech may sound somewhat original. Even so, I will still wait to listen to his speech.

Concerning this amendment, first, I want to ask why it is necessary to propose an amendment. If Members have the time to look at my original motion again — Members certainly have time because the voting will take place only later — in fact, what is wrong with it? Mr TAM Yiu-chung also said that he had had to listen to my speech before he found that something was amiss. In fact, the Central Government has already made an undertaking, so it should abide strictly by the Basic Law in what it does. Does anyone mean that even raising such a request is not allowed? If even such a motion is not tolerated, that means we cannot believe in what is promised in the Basic Law. For example, even though the Basic Law states that we have our freedoms, if we request that we be given various freedoms, the Central Authorities would also object. For this reason, what is proposed by Mr Martin LEE will invariably be opposed actually, and this is indeed the case.

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Cantonese): Madam President, I remember that in December 2006, Ms Emily LAU also moved a motion similar to the one today. At that time, we also had a lively debate. Today, we have revisited some of the areas debated back then. Although there are some new arguments, I wish to reiterate, as I did in the debate in 2006, that the Central Authorities and the SAR Government both strive to implement "one country, two systems", "Hong Kong people ruling Hong Kong" and "a high degree of autonomy" before and after the reunification.

Last year, that is, in 2007, which marked the 10th anniversary of the reunification, the *Time* magazine of the United States did something very special. It decided to criticize its sister magazine, *Fortune*, which once infamously, and incorrectly, predicted that Hong Kong's return to China would bring about its death. Yet Hong Kong is more alive than ever.

In fact, not only did Hong Kong undergo a smooth reunification in 1997, all the systems on which Hong Kong's success hinges are also preserved. In December last year, the Standing Committee of the National People's Congress

(NPCSC), after considering the report submitted by the Chief Executive on Hong Kong's constitutional development, confirmed that Hong Kong could introduce the election of the Chief Executive by universal suffrage in 2017, to be followed by universal suffrage for the Legislative Council in 2020.

In view of this, Members can see that not only did Hong Kong go through the reunification smoothly, and not only has "one country, two systems" been successfully implemented, the progress of democracy in Hong Kong has now been given hope, a timetable and a direction. Recently, The Chinese University of Hong Kong conducted two rather special public opinion polls and one of them was conducted in January. It indicated that 70% of the public supported the decisions of the NPCSC on the timetable for universal suffrage in Hong Kong. The other opinion poll was conducted last month and it showed that 70% of the Hong Kong public trusted the Central Government.

The facts indicate that 10 years after the reunification, be it overseas governments, international magazines or some reports of overseas legislatures on Hong Kong, basically, they all affirm that the "one country, two systems" principle is being successfully implemented in Hong Kong.

However, not only is the motion moved by Mr Martin LEE today inconsistent with these facts, it also perpetuates the negative evaluations on Hong Kong and the gloomy predictions on the future of Hong Kong made by Mr Martin LEE and a group of his friends since the 1980s. I wish to point out clearly that these gloomy predictions have never materialized. For example, before the reunification, some Members of the pro-democracy camp expressed the concern and conjecture that they might not be able to go overseas to raise funds for their political parties after 1997 because they were worried that they would not be able to return to Hong Kong after departure. However, after the reunification, not only can people continue to enter and leave Hong Kong freely, Hong Kong, as an international city, a global financial centre and a free and open society upholding the rule of law and promoting democracy, is making progress all the time. In view of this, I wish to look at how Hong Kong has developed in three areas after the reunification on the basis of "one country, two systems" and the Basic Law.

Members may all remember that in the first six years between 1997 and 2003, Hong Kong went through a rather difficult period. First, there were the Asian financial turmoil and deflation, then, there was the SARS outbreak.

However, thanks to the Basic Law and the "one country, two systems" principle, Hong Kong can retain its status in the World Trade Organization (WTO). After our country's accession to the WTO, we were able to sign the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA) with the Central Authorities.

With the signing of CEPA, international businesses are looking at Hong Kong in a new light. In 2007, some 3 900 international companies and companies outside Hong Kong set up their regional and head offices in Hong Kong, representing an increase of 55% over 1997 and an increase of 22% over 2003.

Nowadays, under CEPA, the service sector in Hong Kong can extend its business to 38 areas on the Mainland and the newest trial point is Guangdong, in such areas as the convention and exhibition services, amenity and entertainment services and services for the elderly.

After the implementation of CEPA, the Individual Visits Scheme was also introduced. As of May 2008, over 29 million mainland visitors have visited Hong Kong under this Scheme.

I must point out that in citing these examples, the aim is not to show how much financial benefit Hong Kong has received, but to show that not only has the "one country, two systems" principle been successfully implemented, the scope for Hong Kong's development has also been broadened. This is a very important point.

The second area that I wish to explore is how Hong Kong handles its external affairs and establishes international connections. According to the Basic Law, the SAR can continue to take part in the meetings and work of the WTO, the World Health Organization and the Asia-Pacific Economic Cooperation. By virtue of the power conferred by the Basic Law and the Central Government, we can conclude a lot of bilateral agreements with governments overseas. Since the reunification, we have concluded over 100 such bilateral agreements in such areas as mutual legal assistance, air services agreements, the surrender of fugitive offenders, and so on. As an international city and the key financial centre in Asia, these arrangements are very important to Hong Kong.

As we all know, permanent residents of Hong Kong who are Chinese nationals can apply for SAR passports. In fact, the SAR passport has given Hong Kong people a great deal of convenience. Over 130 countries and regions give Hong Kong residents holding SAR passports visa-free access for the purpose of sight-seeing, doing business or making visits. Why are such arrangements possible? Because of the "one country, two systems" principle and the support of the Central Government for Hong Kong in making these arrangements.

Thirdly, I wish to talk about the development of democracy in Hong Kong. Dr YEUNG Sum cast doubts on the role played by the Central Authorities in the development of democracy in Hong Kong. On the two occasions when Mr Martin LEE spoke, he mentioned the Joint Declaration. Mr Jasper TSANG pointed out that in setting the goal of Hong Kong ultimately attaining universal suffrage, the Basic Law had in fact gone further than the Joint Declaration. This is because in the process of discussing the drafting of the Basic Law from 1985 to 1990, Hong Kong society expressed the wish of ultimately attaining universal suffrage and the Central Authorities also took on board such views. As a result, this ultimate goal was written into the Basic Law.

Some people queried why the timetable for universal suffrage in Hong Kong was not in 2007 or 2012 but in 2017 and 2020. Some people even doubt whether this is because the leaders of the Central Authorities are worried that democracy in Hong Kong will "spill over" and spread to the Mainland. I take exception to this view. From various arrangements, such as the Joint Declaration, the Basic Law and CEPA, we can see that the Central Government is very concerned about Hong Kong and hopes that Hong Kong can be well governed. It hopes that Hong Kong can develop in a stable manner — that be it the economy, society, the livelihood of the people or politics, there can be stable development and that Hong Kong can foster the setting and conditions conducive to the development of democracy. For this reason, according to the timetable for universal suffrage set down last year, in the next 10 to 12 years, we can develop new scope for democracy in three stages.

First, the methods for electing the Chief Executive and forming the Legislative Council in 2012 can be further democratized to pave the way for introducing election of the Chief Executive by universal suffrage in 2017 at the second stage, as well as laying down a broader foundation for introducing universal suffrage for the Legislative Council election in 2020.

The Chief Executive elected through universal suffrage in 2017 will have to assume a very important mission because after taking office, he has to put forward a set of proposals in around 2018 on how to implement universal suffrage in the Legislative Council election and deal with the abolition or retention of the functional constituencies. However, since we still have 10 to 12 years of time, we can deal with this series of issues vital to the future development of Hong Kong in three stages. As a result, everything will become more practicable and we will be able to tread a path step by step.

Therefore, if the SAR Government puts forward a package of proposals in or before 2010 for the year 2012, I hope the opposition and Members of other political parties and groupings can deliberate together how we can set aside our differences and focus on our common grounds, so as to find new scope for future constitutional development in Hong Kong, instead of voting down proposals that would further democracy once again, as was the case in 2005.

Today, Members discussed the role of the Central Government's representative institutions in Hong Kong a number of times. There are three organizations representing the Central Government in Hong Kong, the first being the Hong Kong Garrison and the second being the Office of the Commissioner of the Ministry of Foreign Affairs. These two institutions are responsible for handling matters relating to national defence and foreign affairs, which are the responsibilities of the Central Government. The third institution is the Liaison Office of the Central People's Government in the Hong Kong Special Administrative Region (the Liaison Office). Since nowadays, Hong Kong has increasingly intense interactions with the Mainland in such areas of work as culture and commerce, this organization also plays certain roles.

Today, Members raised matters concerning elections in particular and asked if they were dealt with in accordance with the Basic Law and the laws of Hong Kong and whether or not Hong Kong had been allowed to deal with them in accordance with the law. I can tell Members that the established policy of the Central Government is to support the SAR Government in governing in accordance with the law. On electoral matters, we will definitely hold elections in a just, open, fair and honest manner in accordance with the laws of Hong Kong. Our electoral laws are clear, stringent and impartial and will not tolerate another set of electoral arrangements in Hong Kong.

In addition, after the recent voter registration exercise, I believe the total number of registered voters in Hong Kong has exceeded 3.3 million people. I can tell Mr Martin LEE and other Members clearly that elections that see the participation of 3.3 million voters, for example, the elections of the fourth Legislative Council in September this year, cannot possibly be manipulated by any person or any government. The public will decide which political parties and groupings and which candidates to support according to their decisions.

Mr Ronny TONG raised in particular the issues relating to the Under Secretaries. In his view, the Liaison Office had gone beyond its brief in expressing its opinions through the China News Agency and that was tantamount to some sort of interference. However, if we look at the statement again, what actually are the issues that it sought to reply to? There are at least two issues: First, how should the appointment of Principal Officials as stipulated by the Basic Law be implemented in Hong Kong? Second, should the Under Secretaries be considered Principal Officials and should they be Chinese nationals without the right of abode in overseas countries, just like Principal Officials? The most crucial remark that Members can find in the statement is, "It meets the requirements of the Basic Law and is in line with the policy of the State regarding Hong Kong for the SAR Government to appoint Hong Kong permanent residents holding foreign passports as deputy directors of bureaux and political assistants."

In fact, matters such as the appointment of Principal Officials, how the Chinese Nationality Law should be implemented in Hong Kong and which ranks of officials are considered Principal Officials are all within the ambit of the Central Government. Therefore, it is entirely acceptable for this statement to express the position of the Central Government and this cannot be construed as interfering with a "high degree of autonomy" for Hong Kong.

I also wish to respond to Mr CHIM Pui-chung. I do not agree with his comment that the SAR Government had exercised the residual power under the Basic Law. According to the Basic Law, the Chief Executive is the head of the SAR as well as the head of the SAR Government. Apart from nominating Principal Officials to the Central Government for its appointment, the officials at other levels should be appointed by the SAR Government on its own.

Mr Albert HO also mentioned in particular the interpretation of the Basic Law by the NPCSC and Dr KWOK Ka-ki also talked about this area. Article

67 of the Constitution of the People's Republic of China (the Constitution) and Article 158 of the Basic Law both stipulate that the NPCSC has the power to interpret the Basic Law. However, according to the arrangement on the power of interpretation under the Basic Law, the handling of judicial matters by the Judiciary is fully respected in the Basic Law in Hong Kong. Hong Kong has final adjudication on all cases and they will not be referred to Beijing for trial. Even after the right of abode issue had been dealt with by way of an interpretation of the Basic Law by the NPCSC in 1999, the Courts in Hong Kong still handled a case involving the application made by several thousand mainlanders applying for the right of abode. First, several thousands of them were granted the right of abode. This was followed by more than 10 000 of them. This decision fully respects the power of final adjudication of the Court of Final Appeal in Hong Kong because eventually, this group of people could remain in Hong Kong and this is in line with the original judgment given by the Court of Final Appeal in January 1999. The NPCSC and the SAR Government both handle matters relating to the interpretation of the Basic Law very cautiously. In the past, a number of interpretations have gained wide acceptance and support among Hong Kong people, including that on the right of abode in 1999 and the one in 2005, in which it is stated that a Chief Executive who is returned in a by-election can serve only the remaining term of office. These are some of the examples.

I have expressed my views and given my responses on the major areas. I only wish to talk about a couple of points in conclusion.

Madam President, this kind of debate has been held in this legislature many times. As the President, you have also heard them and dealt with them many times. I trust Members have all noticed that the times are changing. If Members look back at the past two or three months, they will see how Hong Kong society and the public fervently welcomed the torch relay of the Olympic Games and how they cared about the post-quake relief efforts in Sichuan. We can see that the Hong Kong public identify with their country very much and have growing confidence in the implementation of the "one country, two systems" principle. In view of this, I hope no Member will propose this kind of motion in this legislature again because it smacks strongly of distrust, which is unfounded, of the support of the Central Government for the implementation of the "one country, two systems" principle in Hong Kong and such distrust is unfounded. This kind of comment might find an audience in the 1980s or 1990s. However, public sentiment is changing and as Members returned

through elections and as political parties and groupings taking part in elections in Hong Kong, Members must handle such matters prudently and be aware of the prevailing conditions. The "one country, two systems" principle will definitely be successful and universal suffrage will definitely come. Hong Kong is making progress all the time. Hence, I call on Members to oppose Mr Martin LEE's motion and support Mr TAM Yiu-chung's amendment.

Thank you, Madam President.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the amendment, moved by Mr TAM Yiu-chung to Mr Martin LEE'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.

(Members raised their hands)

Mr Martin LEE rose to claim a division.

PRESIDENT (in Cantonese): Mr Martin LEE has claimed a division. The division bell will ring for three minutes, after which the division will begin.

PRESIDENT (in Cantonese): Will Members please proceed to vote.

PRESIDENT (in Cantonese): Will Members please check their votes. If there are no queries, voting shall now stop and the result will be displayed.

Functional Constituencies:

Dr LUI Ming-wah, Mr Bernard CHAN, Dr Philip WONG, Mr WONG Yung-kan, Mr Howard YOUNG, Mr LAU Wong-fat, Ms Miriam LAU, Mr Timothy FOK, Mr Abraham SHEK, Ms LI Fung-ying, 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 voted for the amendment.

Ms Margaret NG, Mr CHEUNG Man-kwong, Mr SIN Chung-kai, Dr Joseph LEE, Dr Fernando CHEUNG and Miss TAM Heung-man voted against the amendment.

Mr CHIM Pui-chung abstained.

Geographical Constituencies:

Mr James TIEN, Mrs Selina CHOW, Mr CHAN Kam-lam, Mr Jasper TSANG, Mr LAU Kong-wah, Mr TAM Yiu-chung, Mr LI Kwok-ying and Mr CHEUNG Hok-ming voted for the amendment.

Mr LEE Cheuk-yan, Mr Martin LEE, Mr Fred LI, Mr James TO, Dr YEUNG Sum, Ms Emily LAU, Mr Andrew CHENG, Mr Albert CHAN, Mr Frederick FUNG, Ms Audrey EU, Mr LEUNG Kwok-hung and Mr Ronny TONG 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, 25 were present, 18 were in favour of the amendment, six against it and one abstained; while among the Members returned by geographical constituencies through direct elections, 21 were present, eight were in favour of the amendment and 12 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.

PRESIDENT (in Cantonese): Mr Martin LEE, you may now reply and you have four minutes 47 seconds.

MR MARTIN LEE (in Cantonese): President, today, after hearing the speeches of Members who oppose my motion, I wish to respond to them using the comments I made 23 years ago in this Council and I will read them out in English, "..... it is useless for our top civil servants to proclaim from the house-tops every day that theirs is not a lame-duck administration. Show us. It is equally useless for the leaders of China to shout from their house-tops across the border that they will not interfere. Show us." I have already divined what you people would say 23 years ago. How ridiculous.

Secretary Stephen LAM said that there was now a timetable for democracy, so should we not sing hallelujah? However, dual elections by universal suffrage should have been here in 2007 and 2008. Concerning the interference by the Liaison Office — my speech targeted this all the time — has it ever denied this? Dare it deny this? Dare it say the Central Authorities hope that we can develop democracy steadily, only that an appropriate setting and certain conditions are necessary? In what way are the conditions for implementing universal suffrage still missing in Hong Kong? You people often talk about overseas countries — this time, it was you people who talked about overseas countries, not me — in which of these countries were the conditions better than ours when they introduced democratic elections for all their citizens?

The Secretary also said that it was also necessary to examine the issue of abolishing or retaining the functional constituencies. Why should the question of whether to retain them or not still exist? Article 68 of the Basic Law stipulates that the ultimate goal is the election of all the Members of the Legislative Council by universal suffrage. Of course, some people would perhaps say that even those people who are not nominated by all members of the public but by functional constituencies should be included. Did anyone ever raise this point when the Basic Law was drafted?

Secretary Stephen LAM also mentioned the Ministry of Foreign Affairs. In fact, when the Basic Law was being drafted, Mr LU Ping also mentioned the Ministry of Foreign Affairs to us. That was because all those well-off members of the Basic Law Drafting Committee requested that the Ministry of Foreign Affairs should by no means establish a presence in Hong Kong. Otherwise, it

would become another power centre. Mr LU Ping said that it did not matter because it would be only a very small department responsible for such things as issuing passports and they would all be low-ranking officials. Now, we can see how imposing their office block is and that many people are working in it. The Liaison Office should now go home.

The Secretary said that we had 3.3 million voters, so no government, people or organization could manipulate the elections. However, I know that the Liaison Office helps the leftists in Hong Kong by providing manpower, resources and money to them, so are the elections fair? Why does the Secretary not investigate whether the elections are fair or not? He even said he hoped that in future, no Member would propose this kind of motion full of distrust in this Council. So, when motions are proposed in this Council in the future, they have to be perused by the Secretary in advance. In that case, do we have to obtain permission from the Western District first? President, you and I do not have to worry because both of us will not be in this Council anymore.

He said that the times are changing. Secretary, the times have changed but principles should not change. Even though the times are different, the principles of "one country, two systems", "Hong Kong people ruling Hong Kong" and "a high degree of autonomy" should not change with time. Thank you, President.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the motion moved by Mr Martin LEE be passed. 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 Martin LEE rose to claim a division.

PRESIDENT (in Cantonese): Mr Martin LEE 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, Dr Joseph LEE, Dr Fernando CHEUNG and Miss TAM Heung-man voted for the motion.

Dr Philip WONG, Mr WONG Yung-kan, Mr Timothy FOK, Mr Abraham SHEK, Mr WONG Kwok-hing, Mr Daniel LAM, Mr WONG Ting-kwong, Mr CHIM Pui-chung and Mr KWONG Chi-kin voted against the motion.

Dr LUI Ming-wah, Mr Bernard CHAN, Mr Howard YOUNG, Mr LAU Wong-fat, Ms Miriam LAU, Ms LI Fung-ying, Mr Tommy CHEUNG, Mr Vincent FANG, Mr Jeffrey LAM and Mr Andrew LEUNG abstained.

Geographical Constituencies:

Mr LEE Cheuk-yan, Mr Martin LEE, Mr Fred LI, Mr James TO, Dr YEUNG Sum, Ms Emily LAU, Mr Andrew CHENG, Mr Albert CHAN, Mr Frederick FUNG, Ms Audrey EU and Mr Ronny TONG voted for the motion.

Mr CHAN Kam-lam, Mr Jasper TSANG, Mr LAU Kong-wah, Mr TAM Yiu-chung, Mr LI Kwok-ying and Mr CHEUNG Hok-ming voted against the motion.

Mr James TIEN, Mrs Selina CHOW and Mr LEUNG Kwok-hung 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 motion, nine against it and 10 abstained; while among the Members returned by geographical constituencies through direct elections, 21 were present, 11 were in favour of the motion, six against it and three abstained. Since the question was not agreed by a majority of each of the two groups of Members present, she therefore declared that the motion was negatived.

NEXT MEETING

PRESIDENT (in Cantonese): I now adjourn the Council until 11.00 am on Wednesday, 18 June 2008.

Adjourned accordingly at seventeen minutes past Seven o'clock.

Appendix I

WRITTEN ANSWER

Written answer by the Secretary for Food and Health to Mr LEUNG Kwok-hung's supplementary question to Question 4

Attached is information related to the comparison of health care expenditure and source of financing in Hong Kong and selected economies for Members' reference.

Comparison of health care expenditure and source of financing in Hong Kong and selected economies

Economy	Total health expenditure as a % of GDP ¹	Public health expenditure as a % of GDP	Source of financing				Per capita health expenditure at purchasing power parity ²	Public expenditure as a % of GDP ³	Highest personal income tax ⁴	Sales tax ⁵	Public health expenditure as a % of total tax revenue ⁶
			Public		Private						
			General taxation	Social health insurance	Private health insurance	Out-of-pocket payments/others sources					
Hong Kong	5.2	2.8	54.8%	-	12.4%	32.7%	1,666	19.7	16.0%	-	23.6
Australia	9.5	6.4	67.5%	-	6.7%	25.8%	3,128	34.4	47.0%	10%	20.6
Canada	9.8	6.9	68.8%	1.5%	12.9%	16.8%	3,326	39.3	46.4%	7%-17%	20.7
Finland	7.5	5.9	61.1%	16.6%	2.3%	20.0%	2,331	50.5	48.8%	22%	13.4
United Kingdom	8.3	7.2	87.1%	-	1.0%	11.9%	2,724	44.5	40.0%	17.5%	19.7
Austria	10.2	7.7	29.7%	46.0%	5.2%	19.1%	3,519	49.9	42.7%	20%	18.3
Belgium	10.3	7.4	4.2%	63.3%	5.1%	27.4%	3,389	49.9	46.5%	21%	16.3
Japan	8.0	6.6	15.9%	65.9%	0.3%	17.9%	2,358	38.1	47.1%	5%	25.1
Korea	6.0	3.2	11.9%	41.1%	3.4%	43.6%	1,318	28.9	35.5%	10%	12.5
Netherlands	9.2	5.7	2.8%	59.5% ⁷	19.0%	18.7%	3,094	45.5	52.0%	19%	15.2
Switzerland	11.6	6.9	17.2%	42.5% ⁸	8.8%	31.5%	4,177	36.3	37.8%	7.6%	23.2
United States	15.3	6.9	32.1%	12.9%	36.6%	18.4%	6,401	36.6	41.3%	2.9% -7.25%	25.3
Singapore	3.8	1.3	25.5%	9.2% ⁹	-	65.3% ⁹	1,180	15.6	21.0%	5%	7.2

WRITTEN ANSWER — *Continued*

Note: Figures were extracted from the OECD Health Data 2007 (October 2007), National Accounts of OECD Countries, volume 2, OECD 2007, OECD Tax Database (accessed 10 December 2007), the World Health Organization — National Health Accounts Series, and the Hong Kong's Domestic Health Accounts: Estimates of Domestic Health Expenditure, 1989/90-2004/05, unless otherwise specified.

1. Figures for Singapore (2004 figure) were provided by the Singapore Ministry of Health.
2. Figures for Hong Kong (2004-2005 figure) were compiled using the purchasing power parity conversion rate from the World Development Indicators 2006.
3. Figures for Hong Kong (2004-2005 figure) and Singapore (2005 figure) were compiled respectively from Hong Kong Annual Digest of Statistics 2006 and Yearbook of Statistics Singapore.
4. Income tax refers to top marginal rates of personal income tax exclusive of employee social security contribution. For the case in Hong Kong, the maximum personal income tax is subject to a cap of 16.0%, which is known as the standard rate. Figures for Singapore were provided by the Singapore Ministry of Health.
5. Figures for Canada and Singapore (2005 figure) were provided by the Health Canada and Singapore Ministry of Health respectively. In United States, some states do not have sales tax while others ranged from 2.9% to 7.25%.
6. Figures for Singapore (2004 figure) were provided by the Singapore Ministry of Health.
7. Figure is as of 2004 extracted from OECD Health Data (October 2006). However, it should be noted that for the Netherlands, there have been new developments since then. The Netherlands implemented a mandatory private health insurance scheme in January 2006 under a major health care reform. The mandatory insurance is managed by private insurers and is financed by community-rated premiums as well as by income-related contributions that are meant for covering children's premiums and for risk adjustment among insurance companies. Prior to the reform, the major financing source was social health insurance, participation of which was compulsory for people with income lower than a certain level, while higher income people took out voluntary private health insurance.
8. What the Swiss law terms as a social health insurance is in fact mandatory taking out of private health insurance that are managed by private insurance companies. The insurance is mandatory for the whole population and low-income families are subsidized by the government. Premiums of the mandatory insurance are community-rated and the insurers are not allowed to make profits from the compulsory insurance.
9. The figure under social health insurance in Singapore refers to the Medisave, Medishield and Eldershield schemes. However, Medisave is an individual medical savings accounts scheme which does not involve direct income redistribution that is a hall-mark of social health insurance, whereas Medishield and Eldershield are voluntary taking out of private health insurance and long-term care insurance respectively. Also, the figure under out-of-pocket payments for Singapore has included private health insurance (other than Medishield) and employer provided medical benefits.

Appendix II

WRITTEN ANSWER**Written answer by the Director of Environmental Protection to Dr LUI Ming-wah's supplementary question to Question 5**

As regards an estimate on air quality improvements if all the pre-Euro and Euro I diesel commercial vehicles are replaced, compared with their Euro IV counterparts, pre-Euro vehicles emit 30 times more respirable suspended particulates (RSP) and two times more nitrogen oxides (NO_x) whereas Euro I vehicles emit 15 times more RSP and 1.5 times more NO_x. If all pre-Euro and Euro I diesel commercial vehicles are replaced by Euro IV models, the vehicular emissions of RSP and NO_x will be reduced by 74% and 38% respectively. The territory-wide emissions of RSP and NO_x will be reduced by 18% and 10% respectively. If the background air pollution level remains unchanged, the emission reduction will bring marked improvement to roadside air quality.

Appendix III**WRITTEN ANSWER****Written answer by the Secretary for Commerce and Economic Development to Mr SIN Chung-kai's supplementary question to Question 6**

As regards whether the Government intended to replace the e-Cert and the authentication system of the Inland Revenue Department (IRD) with a third authentication system resulting from the implementation of the Unified Identity Management (UIDM) Framework, the UIDM framework aims to improve user-friendliness of e-Government services by enabling users to choose the account name(s) they use to access services. At present, services provided by different bureaux and departments use different approaches for identifying their customers. For instance, the e-tax service uses a user-selected Taxpayer Identification Number of eight to 16 alphanumeric characters, the Leisure Link service uses an assigned six to 14 digit Leisure Link Number and the Water Bill Account service uses a user-selected ID of eight to 16 alphanumeric characters.

Under the current UIDM plan, users will be able to create one or more account names of their choice. They can then enrol for different services using their chosen account name(s). It is up to the user whether he or she uses one account name for multiple services, or a different name for each service. There will be a consistent user experience for registration and service enrolment, but on each occasion the user will need to provide specific evidence of identity the department concerned requires.

The UIDM framework will therefore not replace either the e-Cert or the authentication system of the IRD. Rather it will complement them by making it more user-friendly for the public to use the e-services concerned.