

OFFICIAL RECORD OF PROCEEDINGS

Thursday, 11 October 2007

The Council met at Three o'clock

MEMBERS PRESENT:

THE PRESIDENT

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

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

THE HONOURABLE ALBERT HO CHUN-YAN

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

THE HONOURABLE LEE CHEUK-YAN

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

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.

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 ALAN LEONG KAH-KIT, S.C.

THE HONOURABLE LEUNG KWOK-HUNG

DR THE HONOURABLE KWOK KA-KI

DR THE HONOURABLE FERNANDO CHEUNG CHIU-HUNG

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

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

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

THE HONOURABLE CHIM PUI-CHUNG

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

THE HONOURABLE ALBERT JINGHAN CHENG, J.P.

THE HONOURABLE KWONG CHI-KIN

THE HONOURABLE TAM HEUNG-MAN

MEMBERS ABSENT:

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

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

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

DR THE HONOURABLE YEUNG SUM, J.P.

PUBLIC OFFICERS ATTENDING:

THE HONOURABLE HENRY TANG YING-YEN, G.B.S., J.P.

THE CHIEF SECRETARY FOR ADMINISTRATION

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

THE FINANCIAL SECRETARY

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

THE SECRETARY FOR JUSTICE

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

SECRETARY FOR EDUCATION

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

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

PROF THE HONOURABLE CEAJER CHAN KA-KEUNG, 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

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

CLERK IN ATTENDANCE:

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

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

THE CHIEF EXECUTIVE'S QUESTION AND ANSWER SESSION ON THE POLICY ADDRESS

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

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

CHIEF EXECUTIVE (in Cantonese): Madam President, the policy address just released by me this year is the first one prepared by the third-term SAR Government after its formation. It sets out the blueprint and framework for administration in the next five years, and is also a manifestation of what I had undertaken in my election platform.

I am very grateful for the strong support from members of the public and the Election Committee as they have enabled me to successfully win a second term. I am duty-bound to honour my election pledges. The policy address has set out the priorities and framework to make good my election platform, while it serves as a basis of the new direction for Hong Kong's development. I am also very grateful to the different political parties and independent Members of the Legislative Council for offering their personal views and relaying those of members of the public and various sectors whom they represent on this year's policy initiatives during the consultation period over the past three months. After careful consideration, I have as far as possible taken heed of your views, for public view is the foremost reference for my considerations.

While I was drafting the policy address, the question that dwelled in my mind was how to enable more members of the public to share the fruits of economic prosperity. As evident from its economic performance, Hong Kong is now on an upswing. We have recorded outstanding statistics on both employment and economic growth, and a more robust financial condition. The economy has also recovered as a whole. Nonetheless, the fruits of prosperity enjoyed by different strata of the community have actually displayed great disparity. Wages of some low-income earners have remained stagnant, it is therefore understandable that they expressed concern about their future overshadowed by the threat of a returning inflation. For the time being, wage

increase for a certain social stratum has been lagging behind, but I am confident that their wage level will gradually catch up.

For the concept of "Progressive Development" which I advocate, the first initiative is to promote economic development by way of infrastructure projects and investments, thereby increasing employment and inducing wage increase, for to the general public, such are the ways to resolve the low wage problem at its root. It has been my full conviction all along that the most effective way to eradicate inter-generational poverty is to invest heavily on society's manpower resources. I therefore suggest the provision of 12-year free education, the implementation of small-class teaching and an expansion of the After School Care Programme on all fronts. Furthermore, I am particularly concerned about the disadvantaged groups among low-income households, such as the elderly people and children. Hence, I suggested the provision of health care vouchers, more home care services and day care places for the elderly, as well as an increase in funding to help improve their home environment. For children, we will set up a Child Development Fund and promote the Comprehensive Child Development Service.

My another concern is for the long-term competitiveness of Hong Kong. In the era of globalization, competition has become more and more intensive. There is competition not only for market, but for talented people as well. To enable Hong Kong to scale new heights, we must turn ourselves into an attractive place for the convergence of talents. However, simply offering job opportunities is not enough to attract foreign talents to come to Hong Kong, we have also to provide supporting facilities.

Therefore, I have to exert great efforts to promote environmental protection and heritage conservation so as to turn Hong Kong into an outstanding city with quality life. We need to develop creative industries, nurture local talents, attract foreign talents to work in Hong Kong and promote our status as a regional education hub. On the other hand, with the support of the state, we will reinforce our position as a global finance centre, develop new markets and attract new capital into Hong Kong. Meanwhile, our position as an international shipping centre, regional aviation hub and logistics centre will also be fortified.

To achieve all these goals, there is a need for people from all walks of life to forge a consensus, and for the Government to conduct implementation in a decisive and practical manner. The realization of our vision, however, requires strong support from all Honourable Members. I have full confidence in Hong

Kong people because we possess the versatilities and capabilities to act, and have maintained our unfailing determination to fight on. With a common direction and clear targets that we share, Hong Kong will become the most glittering city of our country and worldwide in the 21st century.

PRESIDENT (in Cantonese): The Chief Executive will now answer questions on the policy address raised by Members. A Member whose question has been answered may, if necessary and for the purpose of elucidation only, ask a short follow-up question.

MR JASPER TSANG (in Cantonese): *President, the Democratic Alliance for the Betterment and Progress of Hong Kong (DAB) very much welcomes the Chief Executive's announcement of the extension of free education to senior secondary education. This long existing nine-year free education currently in place is not only free, but is also characterized by two principles: first, it is universal, as an abundance in the supply of school places enables students of all appropriate ages to secure education in schools free of charge. Second, it is compulsory, whereby students are required to go to school within a specified age limit. May I ask the Chief Executive whether or not these two principles are also applicable to 12-year free education?*

CHIEF EXECUTIVE (in Cantonese): President, the present concept is to apply the principle and method of grant or subsidy in further extending the nine-year free education currently implemented. Insofar as universality is concerned, I think that it could undoubtedly be achievable because at present, over 95% of school-age students are promoted from Secondary Three to Secondary Four. Therefore, for this universality, I do not think there is any problem in this respect. Yet, we are still doubtful about its compulsory nature. We opine that it could be counter-effective if students or young people reaching that age are forced to continue with secondary education by compelling them to study Secondary Four, Secondary Five or Secondary Six. What is more, in the face of pressure from the current market, or schools and families, just as I said earlier, most or the greater majority of school-age children will naturally continue with their secondary education. Therefore, I do not see the need to make it compulsory.

As for the present concept, learning from past experience, I feel that the nature of compulsion may not prove to be effective. It is very often

counter-effective to adopt a broad-brush approach. Therefore, we must all recognize the fact that, be it the implementation of small-class teaching or the provision of secondary education, the community should have the ability to choose and this is what the young people of Hong Kong wish to have. Hence, we have no intention of forcing students to study in schools designated by us, however, we are in a better position to develop more resources, and as is known to all, we will, apart from providing formal education at Secondary Four and Secondary Five, continue to subsidize them to study in other vocational training schools.

MR JASPER TSANG (in Cantonese): *President, just now the Chief Executive has revealed some negative views on compulsory education. Are they also applicable to junior secondary forms and below? Or, is that to say, that the policy of compulsion currently applicable to all junior forms will also be removed altogether following the extension of the free education limit?*

CHIEF EXECUTIVE (in Cantonese): The existing policy of compulsion is successful and effective, and we do not want to change it. Even if changes have to be made, there is no urgency at all. For parents or for children who have reached schooling age, I am afraid they would have to go to school on their parents' advice, it is only natural..... I do not find it necessary to entirely remove the existing strategy. Meanwhile, what if children do not go to school? Are they to simply stay home? They are not allowed to go to work as there are many restrictions in the labour laws. Therefore, I deem that there is a difference between senior and junior secondary education. We have no intention to change the compulsory system currently ranging from primary to junior secondary education, but if it is for secondary education, I will allocate sufficient resources.

Furthermore, I believe there are sufficient school places to cater for the demand of all school-age children, hence enabling the entire system to comply with the principle of universality. As for the principle of compulsion, I do not consider it necessary and I am worried that forcing young people of that age to do so may have counter effects.

MR ANDREW LEUNG (in Cantonese): *The Chief Executive has raised economy as his priority target, with the 10-year infrastructural project as his*

starting point. To enable the Chief Executive's great wish to come true and embark on this golden decade, people of talents is an extremely important resource. At present, all countries are thinking of ways and means to attract talented people. Singapore, currently having a population of 4.5 million, has attracted over 1 million emigrants so far and it proposes to attract another 2 million. Such kind of emigrants can only be attracted through the implementation of good policies. I wish to ask the Chief Executive via the President: How can the Government attract more talented people who are conducive to our long-term development to assemble in Hong Kong by means of open and attractive initiatives? In fact, many Hong Kong students have studied in some famous overseas universities and obtained professional qualifications abroad. Yet, should these doctors, lawyers and professionals really wish to return to Hong Kong and contribute to our community in the near future, they must cross over the threshold set by the relevant local professional bodies. Even if they wish to practise in Hong Kong, they would encounter a lot of difficulties. Not only are they required to sit for examinations, but they may even have to continue their studies in the Mainland for a couple of years as well. How can the Chief Executive attract these people to return to Hong Kong for development? If he fails to attract even these people, how can overseas talents be attracted to come to Hong Kong?

CHIEF EXECUTIVE (in Cantonese): Regarding the attraction of talents, I entirely agree with Mr Andrew LEUNG's remarks that greater efforts should be made in this respect. Therefore, the Immigration Department will re-engineer and review the various talent admission schemes and relax the relevant requirements. As I have mentioned in the policy address, the restrictions on age limit and eligibility will be relaxed, which I believe will provide very big attraction. In the past, our work in this respect has achieved considerable success. But I do agree with you that it is still not enough in quantitative term.

Insofar as young people are concerned, as you all know, I have also mentioned in the policy address about how to attract more overseas students and young people to come to study in universities in Hong Kong, as well as the flexible arrangements to be adopted to provide a sense of security to students after they have been admitted to local universities. It is also hoped that after they graduate, they will still be attracted to stay on in Hong Kong for work, so as to contribute to Hong Kong and take up residence here. I believe these plans will bear fruits which can be seen after they have been implemented for some time.

Earlier, you have named a few special professions, like doctors and lawyers. The problem that they encounter is not unique to Hong Kong also exists in Singapore. It is not easy to practise medicine in Singapore, neither is it easy for lawyers to practise there. I believe this is attributable to the stringent threshold imposed by the relevant bodies. It is therefore a worldwide issue, and there is no need for us to focus on one or two sectors. Certainly, these sectors are in need of talents, but internal review is also necessary to see if the current threshold is too stringent. I welcome this approach. And, if they really do so, the Government will render support to them. Nonetheless, I am confident that talented people are great in number and not only these sectors have suffered the effect. The return of talents in other fields is also welcomed.

As for the qualifications required for practice, there are actually some standards. As far as I understand it, countries all over the world are facing this problem, particularly lawyers and doctors. When questions are asked, such as "Can we practise on the Mainland?" "Can mainland people likewise practise in Hong Kong?" "Can we practise in the United States?" or "Can the Americans practise in Hong Kong?" and so on, it seems that they are required to pass some specific examinations before they could do so. I do not see that Hong Kong is particularly harsh in this respect. Yet, this is only my personal feeling as I am not well versed in this issue. I do, however, agree with you that these sectors give people an impression that it is difficult for foreigners to get in.

MR ANDREW LEUNG (in Cantonese): *Chief Executive, can the Government intervene to establish a transparent, uniform and comprehensible mechanism in conjunction with the professional bodies? Of course, Hong Kong has its exclusive requirements. Yet, people elsewhere have also obtained a lot of generic knowledge. Therefore, I think that the question lies with communication, which has to be tackled before more overseas talents can be attracted to return to Hong Kong.*

CHIEF EXECUTIVE (in Cantonese): We will be very delighted to do so. In fact, just like what we face in attracting more talents to serve in our community, CEPA also encounters the same problem when trying to bring in Hong Kong talents into the mainland market. The Mainland actually also has such a need. We have somehow mastered the problem, which is, however, pretty great instead of small. I think that those two local sectors should be respected for they have made a lot of contributions to Hong Kong. The existing arrangement certainly has its grounds, but as the Government, I will adopt an open manner in addressing the problem.

MR ANDREW CHENG (in Cantonese): *Madam President, I wish to discuss with the Chief Executive about the health care vouchers. With regard to the measure of offering each elderly \$250, I believe the Chief Executive should have heard a lot of criticisms during this morning's phone-in programme that it was merely "a drop in the bucket". Very often, this mere \$250 is barely or even not enough to pay for the treatment of a single tooth.*

According to the record of the Department of Health, which I think the Chief Executive may also be aware of, there are some 51 000 elderly people territorywide having no teeth at all, in other words, not a single tooth can be found in their mouth. On the other hand, 156 000 elderly people only have roots left, which is no different from toothless. The health of these 200 000-odd elderly people, who are either toothless or having unhealthy teeth, is actually seriously affected. I therefore wish that the Chief Executive will reconsider deploying resources directly on the elderly people, which is very important. For instance, first, set up a dental health fund; second, increase the money value of the health care voucher so that it will not be as mean as \$250 each year, but should even be raised to our proposed level — I believe probably the majority of members of the Commission on Poverty had indicated their support to this proposal — to enable the elderly people to enjoy public health care service at half-price. Since the Chief Executive said yesterday that he had to repay what he owed Hong Kong people, so he must be aware that welfare services for the elderly is not simply measured in monetary terms, neither is it a repayment of what he owed them. What is more, it is a show of care and respect.

CHIEF EXECUTIVE (in Cantonese): My gratitude to Hong Kong people — especially those who have contributed to Hong Kong for many years — is expressed from the bottom of my heart. Therefore, a lot of words have been used in this year's policy address to describe my feeling. Among the various initiatives, eight were particularly implemented for the elderly people. Health care voucher is one of them. I am also very thankful to Member's concern for their dental need because we can then open up ourselves to genuinely discuss this issue.

As to the question of whether the fee for public out-patient clinical services can be reduced, we have really studied into the matter. I think that even if a reduction is really made, the elderly people may not genuinely benefit from it because, at present, some elderly people do queue up for public clinical services very early in the morning, so further reduction in fee will only attract longer queues or more frequent visits to clinics. So, at the end of the day, the services concerned cannot be enhanced. Unless there is an unexpected expansion of

clinical services, it is an impossible mission in the short term, Mr CHENG, this is an impossibility. Increases in the numbers of clinics, doctors and nurses are definitely impossible. Rather, I consider it appropriate to make use of the more extensive and convenient health care resources in the community. Therefore, I opine that health care vouchers have many advantages. This is nonetheless a trial scheme. We prepare to inject \$100 million to \$200 million to implement the trial scheme for a couple of years, and if proved successful, we will then see what modification or adjustment is required. I believe that this could be discussed, and the most important thing is to genuinely serve the elderly.

Yet, as far as I can see, quite a number of elderly people considered the relevant measures desirable after their announcement yesterday. The number is not small at all. Certainly, after all, the question is whether or not enough has been done. Of course, it is better to have more money than less, but I think that there must be a trial run before consideration will be made to the implementation of the proposal and the need for adjustments before actions. Nonetheless, I entirely agree with the feelings of the Member that it is quite important to offer relief to the elderly people.

MR ANDREW CHENG (in Cantonese): *The deepest impression that the Chief Executive's "A New Direction for Hong Kong" gave to Hong Kong people is, you would actually construct the golden decade of Hong Kong with an expense of \$250 billion. From the health care voucher which I discussed with the Chief Executive earlier, each elderly person will also receive \$2,500 per year in 10 years' time — but it was a mere \$2,500 and we were talking about 10 years.*

Of course, I do agree with the Chief Executive's remarks that nothing is enough. However, referring to the example of dental service quoted by me just now, if elderly people at the grass-roots level are asked to pay an additional tens and even hundreds of dollars for the services provided by private practitioners, surely they will do nothing of that sort. Furthermore, it is no longer necessary for them to wait for public out-patient clinical services in person nowadays as appointments for attendance can be made by telephone. Therefore, I hope the Chief Executive would understand that it is our wish for the Government to provide half-fee concession and at the same time increase the money value of the health care voucher. Despite the fact that such a gesture would incur an additional cost of \$400 million to \$500 million each year, but with reference to the policy address as a whole, this \$400 million to \$500 million is but an added grace to the middle and upper classes. I hope that the Chief Executive may as well make offers which should be timely help to the elderly people at the grass-roots level on this issue.

CHIEF EXECUTIVE (in Cantonese): The concept of the entire policy address starts out with the middle and lower class, for which many relevant training programmes and works projects, as well as measures for children and elderly people are proceeding from this aspect. I believe all of us also have the wish to explore more resources and do more. Yet, it is my further hope that Mr CHENG will not mix up capital investment and recurrent expenditure for they belong to different items of expenditure. The \$250 billion referred to by us is in the main social investment rather than public expenditure which involves private capital, and the total costs of the whole project will be subsequently calculated. However, most important of all is, we should not forget how the various services (for the disadvantaged group in particular, which includes the elderly people) can be improved. You and I have the same concern on this.

MR LAU WONG-FAT (in Cantonese): *Hong Kong's birth rate is lower than that in Japan. This is worrying. Chief Executive Donald TSANG has appealed to Hong Kong families to have three children born into each of them, and he also said he hoped that the population of Hong Kong could reach 10 million so that Hong Kong could further advance to be a first class world city. May I ask the Chief Executive whether the Government has considered more appealing and more directly effective measures to encourage child birth, apart from increasing child allowance, thus prompting Hong Kong people to make more new Hongkongers?*

CHIEF EXECUTIVE (in Cantonese): Indeed I am slobbering with envy. (*Laughter*) The problem is, this is not subject to compulsion, for it is a decision of the young people themselves. However, if we can really create a better environment so that people can see that our community is worthy of support, strong-based and protected, and that there are more greening efforts, more education opportunities, more protection of our cultural heritage and preservation of our local culture, I very much believe that the current trend of child-bearing will naturally reverse and the birth rate will increase.

Recently I have been informed of some simple figures. According to Dr York CHOW, it seems that recently there are more pregnant women. I do not know whether this is due to the abovementioned factors but I also hope that we will address the problem seriously. While certain objectives can be achieved through taxation and government policies, some are not necessarily attainable by means of government policies. However, we can exchange views in this aspect because you and I are no longer the parties concerned. (*Laughter*) We can,

however, at least discuss the issue in an objective manner to see how our young people could be encouraged to bear more children.

PRESIDENT (in Cantonese): Mr LAU, do you need to ask follow-up question?

MR LAU WONG-TAT (in Cantonese): *There is no need. (Laughter)*

MR DANIEL LAM (in Cantonese): *President, Chief Executive, in the policy address yesterday, you announced the 10 major infrastructural projects. They will certainly bring long-term economic benefits and are hence visionary. The Heung Yee Kuk has expressed its strong support to them. As a member of the Heung Yee Kuk, I would like to ask a question more of my own concern. The Chief Executive reiterated in the policy address that a proposal is underway to study the provision of an allowance to village representatives. Yesterday, Chairman LAU, Vice-Chairman CHEUNG and I received a lot of telephone calls from the village representatives who felt very excited and delighted because their past contribution in terms of efforts and money to the district work had ultimately gained recognition from the Government. May I ask the Chief Executive when will the proposal be implemented?*

CHIEF EXECUTIVE (in Cantonese): I have undertaken to study the issue. But regarding this issue, I have to convince not only Donald TSANG and my colleagues but also the Legislative Council in order to obtain approval for the fund allocation. However, it is my personal opinion that their work, which has been carried on for so many years, should be recognized. Moreover, the work is more strenuous and regularized than ever before, so the conditions are ripe for us to consider the issue. I will only say with sincerity that we would seriously consider the proposal.

MR DANIEL LAM (in Cantonese): *President, apart from funding, what other proposals will the Government put forward as a form of support to the work of village representatives?*

CHIEF EXECUTIVE (in Cantonese): We can have some mutual communication if there is any proposal. As you know, a mechanism is already

in place in this aspect and there is a special communication channel between the Home Affairs Department and the Heung Yee Kuk. We will certainly be willing to give consideration to a proposal if it could be achieved by the Government, which we deem it reasonable to undertake and is favoured by the public.

MR JAMES TO (in Cantonese): *President, I have read very carefully every policy address of the Chief Executives, including Mr TSANG and Mr TUNG, particularly the conclusion, because those are the paragraphs for a sharing of personal feelings.*

I have seen something more particular in this policy address — I do not know whether or not I have misinterpreted it and hope that the Chief Executive can give some clarifications. In paragraph 126, the Chief Executive pointed out that "Over the past three decades, we have contributed substantially to our country's economic growth" and then, in the last part of the paragraph, "Hong Kong will certainly continue to serve the country in our unique way". However, in the middle of the paragraph, he also pointed out that our uniqueness apparently lies in: "We play by the rules of a free market while stressing corporate social responsibility. We embrace modern values while upholding the core values of the traditional Chinese family. We promote democratic development without compromising social stability or government efficiency. We pursue economic growth, and care about environmental protection and cultural conservation. We cherish the personal freedom of individuals and pluralism, and we have a shared sense of national identity." May I ask the Chief Executive whether his statement that "Hong Kong will continue to serve the country in our unique way" is a bit different from what Mr TUNG has said before? In other words, is it that you consider Hong Kong should continue to develop democracy, universal suffrage and rule of law as a major point in the contribution to the country?

CHIEF EXECUTIVE (in Cantonese): In my opinion, the democratic development of Hong Kong is not only my constitutional responsibility as the Chief Executive but, in the long run, this is also the strong aspirations of the people. Moreover, this is also the objective to be implemented by the Government of the current term. In less than two weeks after its establishment, the Government has published the Green Paper, showing our intention to commence efforts in this regard. However, this is a discrepancy under "one

country, two systems" and this is the system of Hong Kong under the two systems. We very much hope that under the conditions in Hong Kong, we can find out the answer to our universal suffrage in order to create a more harmonious environment in which consensus can be more easily reached. We can make contributions in the economic and cultural fronts, as well as to the country as a whole, an objective to be achieved in a harmonious environment. This is what I meant.

MR JAMES TO (in Cantonese): *President, in the Green Paper, it seems that there is no specific description about our contribution to the country regarding the development of democratic politics by Hong Kong itself. Of course, sometimes some may say that under the "one country, two systems", "river water will not interfere with well water". But in fact, if Hong Kong, as part of the country, can comprehensively implement universal suffrage, democracy and the rule of law, is this already a more unique contribution to our own country? Is this in itself a new perspective to our contribution under the concept of "new Hongkongers" or your new concept of "Progressive Development"? And is this also different from the views of Mr TUNG?*

CHIEF EXECUTIVE (in Cantonese): I think the most important thing is to find out the answer in politics that we need, the channel in economics and the direction for social development. These are the differences between the two systems under "one country, two systems", especially ours are very different from those of the Mainland regarding political and legal systems. Even though we may be very successful in the development of these aspects, I do not believe we should form the opinion that the Mainland would surely find them practicable all the same.

I wish to put it very simply like this, as an international financial centre, shipping centre and trading centre, Hong Kong will certainly continue to make contributions to our country if it is successful in these areas. Of course, to ensure success on our part, other complementary facilities are needed, in particular, political development. In the process of achieving universal suffrage, we can also consolidate the continually prosperous development of this aspect.

So, I have never thought of imposing the sense of values particular to us — what I have been talking about is sense of values, which are elaborated in

paragraph 126 — I have no intention of transferring such values to the Mainland for use. I do not have such a conception at all and hope that you will not make too much speculations. Regarding the last sentence of paragraph 126, the meaning it propounds is that if we can maintain the status of Hong Kong as centres for international finances, trading, shipping and logistics, we will be able to sustain the contribution we made to our country as before. And that is what it means.

DR FERNANDO CHEUNG (in Cantonese): *Mr TSANG, the policy address is a blueprint of your policies for the next five years of your term. And it seems that there is something more than that. As many newspapers said, the next 10 years will be a golden decade in which we will see the 10 major infrastructure projects. You have attached much importance to infrastructures as an impetus to our economy. But regarding livelihood, I feel very disappointed. You made little mention of the poor who are suffering and struggling for survival. The needs of the disabled are almost left untouched. Being also the parent of a disabled person, I would like to say that the residential care services for them.....*

PRESIDENT (in Cantonese): Dr CHEUNG, please ask your question direct.

DR FERNANDO CHEUNG (in Cantonese): *..... fall short of demand. President, my question is about the waiting time of the disabled for residential care services which is as long as 10 years. Even for those who have been accorded priority due to their urgent conditions, such as the severely physically disabled, they also have to wait for more than two years before an allocation of residential care services. In other words, even those who are in immediate need of the services have to wait for two years. Compared with your 10 major infrastructure projects, the care for the most vulnerable, as they will need the residential care services — just like me, as a parent, will pass away one day, and my daughter may also need residential care services — what plan do you have for these people? What will be done in order to arrange for residential care services for them?*

CHIEF EXECUTIVE (in Cantonese): The SAR Government maintains the deployment of resources for social welfare as its priority item. At present, around 17% to 19% of our resources are allocated for social welfare annually

and this undertaking will not be compromised. As for the proper and best deployment of our most important resources at present in meeting the needs of the needy in all quarters, details have been set out in my platform concerning how the resources can be allocated, and I will also honour my promises, hoping that this issue can be discussed with all stakeholders in the social welfare sector to fulfil the demands of various strata.

There will certainly be lots of people who are in need of help. In a society like ours which is pluralistic and transparent, there are really many people who require our care. Their needs, considering from their own perspective, could perhaps be urgent. But I think the most important thing is for people in the trade to discuss the matter jointly and determine how the resources should be arranged. If it is considered that residential care services for the disabled are important and consensus has been reached with the Government, resources will certainly be deployed for the relevant work. I think this is a more proactive approach. If we suddenly think of the needs of the disabled, the needs of the elderly, the needs of the young people, the needs of the single-parent families..... everybody has his own needs, the most important thing is to ensure the best and most suitable allocation of our limited resources. And this is the best approach. I hope Dr CHEUNG can help us in this respect and ponder the problem with us. You should know that through the SWAC (Social Welfare Advisory Committee), we are trying to give these problems a deeper thought.

DR FERNANDO CHEUNG (in Cantonese): *President, certainly I am willing to help but I am not a member of the SWAC. It is relatively rare for a Legislative Council Member representing the industry not being included in the consultative machinery of the industry. However, this is irrelevant. What I want is not just to sit down and discuss the matter with the Chief Executive. At present, there are genuinely great needs to be met. Would there be plans to be implemented? We should at least have a plan to progressively meet the needs in the livelihood of the people. I hope the Chief Executive can tell me that he is willing to formulate a plan for taking care of the needs of the underprivileged in his future administration.*

CHIEF EXECUTIVE (in Cantonese): I am absolutely willing to do so. However, the objective cannot be attained by the sole effort of the Government with a wishful thinking. Rather, people in the trade must discuss how the work

should go about. So, as I just said, I hope the mode of the SWAC can be expanded. If Dr CHEUNG is interested, we can jointly consider how your valuable advice can contribute to their discussion so that a more fruitful result can be achieved. If the priority has been set and the plan has surely to be implemented, I will arrange for the resources accordingly to ensure their effective use. As I said before, if the disabled are in need, and we accord the matter the top priority, deeming that the current allocation of resources unfair, adjustments will certainly be made.

Since you have raised the issue, perhaps let me say some more about this. When the policy address was under deliberation, we had particularly taken into account the needs of the disabled and an item had been proposed time and again, and that was the transport allowance. In view of the time constraint, however, decision has yet to be reached before the publication of the policy address. However, I can tell you that I am still considering this matter and hope that an answer could be obtained in one or two months.

MR WONG TING-KWONG (in Cantonese): *President, the Hong Kong Trade Development Council (TDC) and the industry often said that the problem faced by the exhibition industry in Hong Kong is mainly the inadequacy of venues. The DAB supports the expeditious development of phase 3 of the Hong Kong Convention and Exhibition Centre (HKCEC). However, despite the completion of the expansion projects of the HKCEC in Wan Chai and the Airport AsiaWorld-Expo (Expo) respectively, provision of exhibition venues in Hong Kong can hardly be compared with those in our neighbouring cities such as Guangzhou and Macao. Has the Chief Executive considered other approaches such as making use of the existing resources at the border area and the vacant factory buildings, in addition to the venues provided by the HKCEC in Wan Chai and the Airport Expo, so as to expand the provision of the exhibition industry in Hong Kong?*

CHIEF EXECUTIVE (in Cantonese): I think all approaches can be put under consideration. In fact, we do not have to worry too much about any decline of our exhibition industry once other cities have started to develop theirs. We enjoy a premier position in this aspect in the region though we certainly should not feel complacent. The existing expansion project, as Mr WONG is also aware, is not only restricted to the atrium link expansion work, but the feasibility of developing phase 3 of the HKCEC is also being considered in a proactive

manner. Besides, the exhibition venue at the Airport is also expanding as the phase 2 project is underway. So, we will be doing our best with regard to our venues.

Sometimes, however, the success of an exhibition hall hinges not only simply on the size of the venue but also other complementary facilities. I hope Members will not overlook our strengths in this aspect. On the one hand, we need not feel complacent, but on the other hand, we will have to pay attention to the competitive development of other regions in this aspect. We also have to consider how our own resources can be put into the best use.

Regarding the Honourable Member's proposal of transforming other premises such as factory buildings into exhibition venues, I will be very happy to give my consideration if there is any specific proposal. In fact, this is practicable, but it often depends on whether the owners of the building consider this a profitable business. Perhaps Members are also aware, the exhibition industry itself is not profitable. Even with successful organizers like Hong Kong, the return rate of the trade is only around 3%. So, businessmen will not invest in the exhibition trade. Rather, other derived economic activities are apt to enjoy a greater boom. For instance, hotels and eateries will flourish due to the exhibition trade.

So, we are willing to help all developers convert the existing factory buildings or other premises into exhibition venues. But in my opinion, if they deem this a profitable business, they would have been progressing in the trade. So, what we are doing now is to pay as much attention as we can to two venues, that is, the Airport Expo and the HKCEC in Wan Chai, and continue to improve the existing services. We attach importance to competition and will not easily let go of our leading position in this aspect. The trade gives weight to it and so does the Government.

MR WONG TING-KWONG (in Cantonese): *President, precisely because of the narrow profit margin to be made by the exhibition trade, strong support from the Government is more imperative.*

Last month, as a delegate of the Legislative Council paying a foreign visit, I met some Hong Kong businessmen participating in an exhibition in Los Angeles. They lamented that they were still on the waiting list despite having made applications to the TDC in a row of five years and no arrangement had

been made for them to hold exhibitions in Hong Kong. So, in view of such a phenomenon, may I ask the Chief Executive what effective measure can be adopted to solve the problem expeditiously?

CHIEF EXECUTIVE (in Cantonese): I believe with Hong Kong being such a place of great attractions and so very successful, there are really many people who wish to bid for exhibition venues here and their demands may not be fully met. But I very much hope that after the atrium has been completed, more especially when the expansion works of the exhibition venue at the Airport is really in progress, such demands can be fulfilled gradually.

I think in the short term, it is quite impossible to have a sudden increase in the venues despite our all-out efforts. But concerning this issue, perhaps the TDC — I believe you would have been in contact with it, with regard to coping with special demands, in particular that of an applicant who has been waiting for a very long time and who is worth our efforts to have him organizing an exhibition in Hong Kong, I believe you and I can make some painstaking efforts as to what measures should be adopted.

MISS CHAN YUEN-HAN (in Cantonese): *Madam President, the Hong Kong Federation of Trade Unions has all along been concerned about the changes of economic structure in Hong Kong after the reunification, for such changes have caused the wage earners, the grassroots in particular, to face employment difficulties. Therefore, in addition to minimum wages and maximum working hours, the creation of more job opportunities has always been our concern.*

I remembered that around 1995 or 1996, I proposed the development of the recycling business. Referring to this policy address, the SAR Government also has the wish to highlight this issue, hence introducing the 10 major infrastructure projects to boost employment, which is an act to the delight of the trade unions of the construction industry in particular. However, the question is whether workers can get jobs in the short term, say within a year or two? This is a cause for concern. However, on the whole, they welcomed the proposal. As for certain opportunities, such as those arising from environmental protection, I think the SAR Government lacks a clear concept. How can

PRESIDENT (in Cantonese): What is your question?

MISS CHAN YUEN-HAN (in Cantonese): *I am coming to my question, Madam President, how can job opportunities be created for the grassroots by capitalizing on the prevailing demand in society? The recycling business is a very suitable trade. However, in this policy address, the SAR Government has obviously missed this conceptual or ideological approach. In Hong Kong, the rate of recovery for solid waste at present is only 40%, while that for household waste is only 10%. The SAR Government, the Chief Executive indeed, knows about this. However, this time, he indicated that use could be made of the incineration method in waste treatment, simply ignoring the method of recovery. On the contrary, in places like Taiwan, South Korea and Germany, a lot of efforts have been devoted to formulating policies on the treatment of household waste, their recovery rate of waste is very high and a lot of job opportunities have been created*

PRESIDENT (in Cantonese): Miss CHAN, please come to your question.

MISS CHAN YUEN-HAN (in Cantonese): *..... I have this question for the SAR Government. In considering the employment and plight of poverty faced by the grassroots, how should you look at opportunities arising from the recycling business and tourism industry with a view to creating more job opportunities for them, just in the same way as you propose the 10 major infrastructure projects?*

CHIEF EXECUTIVE (in Cantonese): The SAR Government fully supports the recovery industry. When I said that more waste treatment facilities were needed, I have already calculated that existing landfills would soon run out of space despite the completion of all recovery processes and that further expansion of landfills was impossible. This crisis has not yet been defused. We must therefore resort to more innovative approaches to solve these problems. In the policy address, I proposed to expand the existing landfills, but other alternatives for waste treatment, which make use of advanced incineration technology, must also be considered. Development in these two aspects is definitely not contradictory to our promotion on recovery industry. Besides, I share your view that these two tasks must be carried out concurrently.

MISS CHAN YUEN-HAN (in Cantonese): *I am not sure whether or not the Chief Executive understands the meaning of my question. In order to attain good results in the recovery of household waste or solid waste, certain policies*

must be introduced in order to promote the development of the recovery industry. Let us look at Taiwan and other neighbouring countries and places, including the Mainland. A series of policies have been introduced in this respect to promote the wholesome development of the recovery industry. Let me cite another example. There is a refuse transfer depot in Kowloon where more than 70% of waste paper recovered is handled. That depot is located at the former loading and unloading area of the existing Southeast Kowloon development, but the depot will be abolished by the Government in future, revealing that there is no co-ordination in the overall policies of the Government. When we collected the waste, it does not mean that we will have to dump them in landfills or to have them incinerated. Instead, the waste can be sorted and reused, that is to recycle them. I feel that the SAR Government has not considered this point. Actually, if these policies had already been thus co-ordinated, I believe more job opportunities would have been created in the course of doing so.

CHIEF EXECUTIVE (in Cantonese): We may consider all such proposals, but the problem is that the business is not run by the SAR Government. We can only create the conditions, and if anyone is willing to set up businesses in the recovery industry, we will offer particular incentives to them, including the provision of certain policies. However, I believe Members also understand one point, that the existing methods we employ in waste treatment..... Every neighbouring district has to adopt more than one method in waste treatment, including landfill, incineration, and so on. These methods, which are also adopted in Japan and Taiwan, cannot be done away with. Speaking from different aspects, we have to continue promoting the development of the recovery industry. On the other hand, when existing landfills are saturated, we have to expand these landfills and consider the incineration method. Both methods must be pursued concurrently. This is what I have in mind. We will not only focus on these two things and give no consideration to other alternatives. Regarding co-ordinating measures, I am willing to consider anything that is worth encouraging the business sector to adopt.

MR LEUNG YIU-CHUNG (in Cantonese): *President, today, the Chief Executive still stresses time and again that the fruits of economic prosperity of society belong not only to society, but should be shared among all of us, benefiting the grassroots in particular. I believe this is a consensus reached by all of us. But, unfortunately, the policy address delivered by the Chief Executive yesterday seems more like a financial budget than a policy address. What have been stated in the policy address? It says that the wealthy will enjoy*

a bigger share of the fruits of economic prosperity while the general public in poverty will only enjoy a smaller share. Take for example the reduction in profits tax rate and the standard rate of salaries tax. The general public will not benefit from it. They can only enjoy the reduction in rates, but the amount involved only ranges from dozens of dollars to \$1,000 or \$2,000.

Therefore, I have a question for the Chief Executive. In paragraph 128 of the policy address, you said that in this new era of swift changes, you believed what we needed was more consensus and less controversy. But unfortunately, while a consensus has already been reached, the problem lies in how these fruits can be shared with the public. However, the seed of discord that you have sowed at present is to allow the wealthy to enjoy a bigger share while the poor can get a smaller share, consequential disputes are thus created. Why do you have to do that? You have said you wanted to be more pragmatic and to have less empty talk. But your pragmatism, which includes a lot of practical and specific measures, targets only the wealthy. When it comes to relief for the people in need, particularly on narrowing the disparity between the rich and the poor, there is nothing but empty talk. You should beef up greater coherence rather than provoking dissimulation. But what you have cohered is only the upper echelon of society. Why do you allow the so-called "class division", that you have disliked to mention, to exist?

Therefore, I would like to put to the Chief Executive this question: Someone has mentioned, or even queried, where is the foundation for this kind of consensus, harmony and cohesion to rest upon, and you said that it was built on the determination of government enterprises and individuals to make improvements. May I ask you how you will address this issue of coherence in society rather than dissimulation? Where does your determination lie?

CHIEF EXECUTIVE (in Cantonese): What the Member just said is very vague, too broad and somehow intangible. However, I will make attempt to answer your question. The most important thing is that the various measures we implement this time are made in response to the issues I have put forth in my platform and the promises made by the SAR Government in 2003 have been fulfilled. In respect of tax rebate, this can on the one hand enhance the competitiveness of Hong Kong. Regarding the costs incurred, I know the measures will cause government revenue to be reduced by \$5 billion. Concerning expenditures, particularly on the creation of new posts and the increase of job opportunities for local workers, the project you mentioned earlier will incur a total investment of over \$200 billion. More so, expenditures on

education have to be included. In respect of all these items, I believe that an annual expenditure in the region of \$75 billion will have to be incurred during my five-year term.

As for the low-income earners in Hong Kong, how are we going to help them? Mr LEUNG, my view is that, we have to help them, but it does not mean handing out money to the low-income earners, for any assistance in this form will only be one-off in nature and without yielding results, neither can it promote the social cohesion mentioned by you earlier. My colleagues and I have thought over the issue in all sincerity. We think that the low-income earners do need assistance in several aspects, and in an all-out manner.

First, to increase job opportunities, we will have to launch a lot of infrastructure projects. A great number of development projects which we consider necessary should be carried out to create more job opportunities for them. When these projects are launched..... particularly before the commencement of these projects, if the business sector can be prompted by investment made by the Government to consider an early start, financing the projects with their own investments, such projects will also be commenced in succession, hence creating more job opportunities. The multiple job opportunities so created will stimulate a rise in salary, thereby offering genuine assistance to the grassroots.

Moreover, we have been spending more money and resources on training. Each year, we will devote more than a billion dollars to the enhancement of working skills of grass-roots workers, the middle classes and the low-skilled workers, so that they can attain higher salaries and posts. Only in such a way can we help them.

Also, I know that the middle classes and the grassroots do not only worry about themselves, they also worry about the future competitiveness of their children: Will they come to the fore? Will the barrier of the so-called "inter-generational poverty" be overcome? In view of this, we have particularly allocated a handsome amount on 12-year free education. Small-class teaching will be implemented in primary schools to enhance the quality of teaching and learning at primary level. All these measures have been taken to cater for the needs of the middle classes and grass-roots workers.

We cannot only engage in slogan-chanting but should provide them with greater assistance. How can we offer assistance to them? There are only two

ways. Should we hand out money to them or should we offer an all-out assistance to them? They will also have to prepare for their old age. In the policy address, we have proposed a series of work procedures, and eight policies on elderly care have been proposed to provide better assistance to the elderly. I believe that measures taken in this respect can show how we manipulate our resources as well as our respect for grass-roots workers, for there is a plan for the longer term which is to be carried out in an all-out direction.

When criticisms are directed against this front or against the assistance provided for the grassroots as proposed in the policy address, I hope the issue can be put into the following perspective. We should not focus purely on the amount of money we have spent, neither should we only be concerned about the money to be put into the pocket of workers immediately. These are not what they desire. They wish to enjoy their dignity at work, and they wish to have a job, good salaries and upgrading opportunities, and to reinforce their earning power. We have to work on this aspect to increase their employment opportunities. We hope that as labour supply in the market gets stringent, salaries will rise. I thus urge employers to fulfil their social responsibility. On the other hand, we will spare them from worries about the education of their next generation, ensuring that their children may receive education from the kindergarten level through completion of university. Such an approach will have rendered genuine assistance to the grassroots in Hong Kong. My colleagues and I are of this view.

MR LEUNG YIU-CHUNG (in Cantonese): *President, at present, many policies have actually been introduced. These so-called policies have substantially brought about tax cuts for the upper echelon of society, however, for the grassroots, they will only have to wait slowly for the recovery of the economy in order to get a job, and after they have a job, their living condition will be improved. This is what the Chief Executive calls policy. However, I think there is a difference between practical action and empty talk, which have brought different outcomes to the two different strata of society.*

I thus have a question for the Chief Executive. You wish we could work slowly and strenuously on these jobs, which I believe the grassroots will have no objection. But unfortunately, do you think this group of grassroots can find a job now? The infrastructure projects you are referring to will not actually commence until 2009 the soonest. Job opportunities will only be created at that time. Within these two to three years, what can the grassroots do? How can they earn a living? Moreover, regarding the 10 000 or so contract staff now

employed by the Government, the Government does not allow them to continue with their work and tries to kick them out. The Government will either outsource the work or stop launching formal and open recruitment exercises in such a way that these contract staff will lose their job. Is the Government helping them or battering them? You say you do not want to provoke dissimilation, neither do I. But what kind of dissimilation has been created? The dissimilation is to create differences between the upper and lower strata. In this case, how can the fruits of economy be shared? The question I would like to put to you earlier is: How big a determination do you have in ensuring that the grassroots can genuinely enjoy a share of the fruits of success?

CHIEF EXECUTIVE (in Cantonese): I suppose there is no need for us to argue about this. I believe you and I have a common goal, only that we are looking at the matter from different angles and adopting different approaches. I think it is our task to get to the root of the problem instead of just handing out money to certain people. As for tax revenue, it involves another approach. As I have said earlier, the reason is we have to fulfil the promises we made in 2003. For the grassroots and the middle class in particular, we have a series of..... Reading from the first page till the end of the policy address, you will find that they are the focus of the entire policy address. Your approach is different from mine. I take an all-out, comprehensive and perpetual approach. What you are saying now is still very vague. You say we have to take immediate action, but you have not in any way told us what we should do. I am just telling you our work procedure. When the Government undertakes to carry out those projects, just as I have said earlier, the business sector will immediately speed up their own projects to overtake the Government.

Moreover, the SAR Government will not merely carry out this 10 major infrastructure projects, minor works will also be carried out. Take the district development we proposed as an example. For the minor works to be carried out in each district, fund has been injected immediately. More so, these works will enter their get-set position. We do not have to wait until 2009, for these works will increase the job opportunities in Hong Kong continuously. You see that the unemployment rate in Hong Kong has already lowered from 8% to more than 4%, and shows trend of further decrease. I will surely make continuous efforts in this respect. I wish to put forth some concrete proposals which can offer genuine help to the middle class and the grassroots. This is the best approach. I also hope that we can address the issue in a pragmatic and calm manner, where genuine and specific assistance can be provided to them. I believe this will be more useful than having vague discussions on the issue.

MR TAM YIU-CHUNG (in Cantonese): *I also have a very concrete question. Concerning this policy address, the DAB has made many positive comments, for a lot of the contents therein is identical with the proposals put forth by the DAB. However, in respect of the care for the elderly, we consider the measures inadequate. I have also expressed this opinion yesterday.*

In respect of health care vouchers, this is in fact quite a preferred idea which can cater for the needs. As people grow old, they will be more health conscious and may have to seek medical consultation more often, hence medical expenditures incurred will be high, and this is indeed a very good idea. However, the Government is only handing out five health care vouchers, which gives us the impression that the offer is very mean and tight-fisted. Will the Chief Executive suggest to Financial Secretary John TSANG the reconsideration of increasing the number of vouchers to be issued, say to increase to 10 vouchers or more, (laughter) or by 10 times when the Secretary draft the Budget?

Moreover, in respect of the "fruit grant", the Chairman of the Elderly Commission has also put forth some suggestions. He said that for people age between 65 and 69, they have to make declaration about their assets, so should the limit in this respect be also slightly raised? At present, the amount of allowance granted is \$625, should this amount be adjusted as well? Though it is said that they may apply for the Comprehensive Social Security Assistance (CSSA) if necessary, the Chief Executive should know that some of them are ineligible for the CSSA because they live with their family. The elderly living with their family may have food and a roof over their head, but they may not have pocket money, for their children may not have the means or the heart to offer it. If the elderly can enjoy more "fruit grant", it will be of great importance to them. Will you ask the Secretary to reconsider this?

CHIEF EXECUTIVE (in Cantonese): We have considered the "fruit grant". We think that the most efficient use of resources is to use them to help, in particular, the elderly in need. Therefore, in this policy address, in addition to the introduction of the health care vouchers, the expansion of day care services for the elderly has also been proposed. You know that expenditure has to be incurred in the provision of these services and the elderly will benefit from it. We will particularly provide training for the carers of elderly people. We will increase the resources in these aspects. We have also made improvements to their living environment and have considered investing more resources on their accommodation.

Moreover, the Senior Citizen Residence Scheme launched by the Hong Kong Housing Society is very popular, and we wish to introduce a new scheme. At present, there is one such scheme in Tseung Kwan O and one in Kowloon. We wish to introduce another of these schemes on the Hong Kong Island.

Furthermore, we will provide home care services. For discharged patients, one-stop support services will be provided, and all facilities target for the "hidden" elderly people will be enhanced. I think these measures will be genuinely effective and can help the elderly.

With regard to the health care vouchers you mentioned, you have to bear in mind that they are not substitutes for any of the services but are something extra. In addition to seeking consultation at government clinics, the elderly people may also use these vouchers. After all, health care vouchers offer more flexibility. They may also use the vouchers to consult Chinese medical practitioners and dentists apart from Western medical practitioners, to join health maintenance schemes and conduct checkups, and so on. However, this is a new scheme, Yiu-chung. I hope you can see that this is a new scheme. As such, should we not be more prudent? The entire scheme will spread out for three years. If it is successful, we will certainly think of a way to extend it. However, I believe, at this initial stage, we should think carefully about the spending of these funds.

As far as I know, the announcement of the introduction of the scheme is rather applauded by the elderly people. But will a slight increase be possible? Of course, I believe that after the scheme comes into operation, and found to be helpful, welcomed by all, and conducive to the health care reform to be next carried out (which is one of the reasons the scheme is introduced, for it can make use of health care resources in the community), we will certainly consider an extension. As for what could be done in the budget, as this falls within the scope of the Financial Secretary, so you better talk to him, will you?

MR TAM YIU-CHUNG (in Cantonese): *President, it will be more effective for the Chief Executive to talk to him than for us to do so. (Laughter)*

Moreover, this year, the elderly should feel quite happy, for both the "fruit grant" and the CSSA have granted an additional month of payment, which is a simpler and more direct way of benefitting them. However, the health care vouchers introduced this time around seems to have shrunk. Therefore, I would like to ask you to discuss this with Financial Secretary John TSANG again.

CHIEF EXECUTIVE (in Cantonese): So let us make concerted efforts. You and I both consider it is of great importance to take care of the elderly, which is also a consensus of society. However, the crux of the matter is what is the best way to address the problem? In what way can we enhance the effectiveness of those measures and make them more appealing to the elderly? This is of paramount importance.

MR LEUNG KWOK-HUNG (in Cantonese): *President, the Chief Executive said that he has adopted the concept of progressive development. Today, I have got here a placard which reads, "Progressively robbing the poor and enriching the wealthy, developing our bubble economy, advocating the politics of money for power, revealing the collusion between government and big business, with an outlook to the complete neglect of universal suffrage." If you read it vertically, the initial words will make up a Chinese version which reads: "A Progressive-Development Outlook". I would like to offer this to you today.....*

PRESIDENT (in Cantonese): Mr LEUNG, please come to your question.

MR LEUNG KWOK-HUNG (in Cantonese): *But this is my stance.*

PRESIDENT (in Cantonese): Though this is your stance, this is now question time. Regarding your stance, you should better save it for the debating session.

MR LEUNG KWOK-HUNG (in Cantonese): *Chief Executive, you said just now that we shared a common goal. Though you have time and again say so, I think our goal is quite different.*

First, concerning universal suffrage, we hope that it can be implemented as soon as possible. But you work on it half-heartedly, absolutely lacking the commitment. During the "small coterie" election, you promised to "play a big game" by proposing an ultimate proposal, but you have now changed your tune.

Second, regarding the attitude on people's livelihood issues, we hope the Government can make use of public resources to carry out social reform, and in

case of inadequacy, to obtain funds from large consortium reaping big fat profits. But you do not act in this way. When you answered Mr LEUNG Yiu-chung's question earlier, it was very obvious that you were not doing so. The DAB is even more astute to say that their views have been incorporated.....

PRESIDENT (in Cantonese): Mr LEUNG Kwok-hung, please try to ask your question, for a number of Members intending to ask questions are still waiting for their turn. Please come to your question.

MR LEUNG KWOK-HUNG (in Cantonese): *Other Members are taking up more time than I do.*

PRESIDENT (in Cantonese): Not really. In future, I will have to arrange to gauge the time so that everybody can see whose question is taking up more time.

MR LEUNG KWOK-HUNG (in Cantonese): *So, I have a question for the Chief Executive, a question which a worker asked me to pose to him. He is working as a security guard for the bank opposite the Legislative Council Building, earning a monthly wage of \$6,800. To divide the wage by 416 working hours, as he works 12 hours a day, he is earning \$11 per hour. The worker does not live on the Hong Kong Island but in Kwai Chung. But yet, you are still saying here that..... Had I not brought you a carrot last time? You have said you would consider it. The worker asked me to tell you..... he said I must tell Donald TSANG — I think he may be listening to the radio now, for he is beyond reach of the television — that minimum wages and maximum working hours were the most important means to deliver wage earners from their plight. By capping the working hours of workers, more posts could be created. He is now working 12 hours a day, but if he only has to work eight hours a day, the remaining hours will generate half the workload for an additional post.*

Second, he asked me to convey to you the following: "I know Mr TSANG is in a difficult position. 'Long Hair', you better not scold him, for he has to offer political repayment to the 800 members of the Election Committee. Had I been able to cast a vote to him, it is possible that Mr TSANG may also have to listen to me."

Listen, I am going to convey the message for the third person. This is from an old man living in my estate. He said that so many people have died, why.....

PRESIDENT (in Cantonese): Mr LEUNG Kwok-hung, your question is really too long, I think you have broken the record.

MR LEUNG KWOK-HUNG (in Cantonese): *the Chief Executive is not among one of them? He actually meant that the handout of the \$250 health care vouchers was meant to a ridiculous extent. These are what the three men have to say. My question is: Without the authority conferred by university suffrage, will you bring about reforms to the advantage of the labour sector in Hong Kong? If you will, why have you not yet started doing so? If you think that you are restrained by those 800 persons, why do you not support universal suffrage?*

PRESIDENT (in Cantonese): You have asked your question, please be seated.

CHIEF EXECUTIVE (in Cantonese): On the labour issues, particularly on minimum wages, I have stated my stance unequivocally in the policy address, and I do not want to read it aloud one more time for you. This is very clear enough. With regard to the promises made in the past, I remain consistent in style. In respect of the two services sectors, we will look into the effectiveness of the existing campaign squarely. If the campaign fails to yield satisfactory results, we will definitely resort to legislative means as soon as possible. This is the stance of the Government.

PRESIDENT (in Cantonese): Mr LEUNG Kwok-hung, do you have a follow-up question?

MR LEUNG KWOK-HUNG (in Cantonese): *Yes. May I ask the Chief Executive whether he considers his reply an excessively heartless reply to the security guard who asked me to pose the question to you? This wage of \$11 per hour is meant to protect the interests of the wealthiest. I thus conclude that you do not have the heart to support universal suffrage, and you do not have a conscience to convince yourself to help the poor. I have to break this heartless*

bamboo duck which I intend to offer to you as a present. But your reply is really too nasty. You will have to be careful.

PRESIDENT (in Cantonese): If you have finished your question, you can sit down.

MR LEUNG KWOK-HUNG (in Cantonese): *Is he excessively heartless to give such a reply? Does he have a heart to promote universal suffrage? I am sorry, President.*

CHIEF EXECUTIVE (in Cantonese): Regarding the request for universal suffrage, I have already said that it is my constitutional responsibility. Within two weeks upon the establishment of this Government, we have taken the most proactive approach by introducing the various proposals in the Green Paper to the people of Hong Kong. We hope that this can form the foundation for the forging of a consensus and the early implementation of universal suffrage. Moreover, when I stood for the election, I said, and I repeat it now, that I would find a comprehensive and ultimate solution to the dual-election issue within my term. I think no other promise is more binding than this one.

MS MIRIAM LAU (in Cantonese): *Chief Executive, environmental protection is one of the focuses of your governance this year. As such, you have included in your policy agenda the following measure, that is, to reduce the duty rate for Euro V diesel to \$0.56 per litre, aiming to provide this as an incentive for vehicle owners to use this fuel.*

There are some 100 000 diesel vehicles in Hong Kong, with both the vehicle owners and drivers extremely sensitive to oil prices. Amongst them, many consider that diesel price has now reached a level unaffordable by them. Therefore, may I ask the Chief Executive to tell diesel vehicles owners and drivers in general that according to government statistics, whether the provision of the tax concession proposed by you in the policy agenda will result in higher or lower diesel prices, or in a price identical to the present one?

CHIEF EXECUTIVE (in Cantonese): I very much believe that diesel prices are adjusted according to the market rate, and not to be decided by the Government.

I think if market prices drop, oil prices will inevitably drop. However, in respect of tax, according to the existing approach, cleaner fuel can enjoy lower duty rate. As you have said, if drivers choose to use LPG, we will not levy any tax on them even. This is the objective and strategy of the Government.

MS MIRIAM LAU (in Cantonese): *The Chief Executive has not answered my question. Is the Chief Executive saying that before the introduction of this policy, the Government, even based on its data, does not know whether the implementation of the policy will cause vehicle owners to pay more or less for fuel, or that the oil price will remain the same? Has the Government not made any estimate at all?*

CHIEF EXECUTIVE (in Cantonese): The main point is, if you can tell me the oil prices in the world market, I will be able to give you the answer. However, no one can tell whether the price will definitely go up or *vice versa*. I can only tell you one fact, and that is, in levying taxes, particularly diesel duty, what the Government charges is, the cleaner the diesel, the lower the duty rate. Our approach is geared towards this goal. We will definitely do so. If standards of the European Union are updated constantly and if we want to encourage the public to use new standard diesel, we definitely will not raise the duty rate for cleaner fuel in particular. We will not do that. However, regarding the ultimate oil prices, it is not for the SAR Government but for the market to decide.

MR ALBERT HO (in Cantonese): *President, Chief Executive, yesterday, the people of Hong Kong had listened to your policy address very carefully. They should have a very clear understanding that the implementation of democratic universal suffrage is indeed inseparable from the improvement of people's livelihood. Very simply, in the remarks you made today, as well as in the address you delivered and the response you gave to reporters yesterday in respect of your policy, you said repeatedly that you had to fulfil the promises you made during the election. However, the promises you made during the election were promises you made for your voters, the 800 persons who have the right to elect you. They have cast their votes for you, so you have to show them your gratitude. This is the view in the majority of public opinion today. What are the consequences of your policies? Who have benefited from your tax concessions? Undeniably, the wealthiest business consortia. With such a*

buoyant economy today, they are too fat even to put on their socks, to put this in more vulgar terms. For many high-income earners who are paying large amount of salaries tax, you have already offered to them substantial concession. It is obvious to all that those measures are pandering to the wealthiest in society, pandering to people who have the most extensive resources.

However, for the poor, I do not see any concrete measures showing your concern for them, I do not see where you have put your heart into. Outside the building a group of elderly people has now gathered, they appoint me to ask you whether it is because they do not have a vote and are hence unable to vote for you that you have forgotten them. How much will the "fruit grant" incur? The tax concessions you granted are incurring up to \$7 billion to \$8 billion a year. But for the "fruit grant", do you realize that an increase of a mere \$100 or \$200 will bring substantial improvement to the livelihood of single elderly people not on CSSA? They want to put this question to you. They care about you. They have bought some fruits for you, saying it only costs them a small amount, for they know you are having a hard time in your work. But at heart, do you care about them? Is it because of the fact that they cannot vote that they are regarded as non-existent and are to be disqualified from society?

CHIEF EXECUTIVE (in Cantonese): How could Donald TSANG neglect to think about the elderly? Yesterday, I have only reminded you all that I was already 63 years old, so how can I not care about the elderly at heart? I am also drawing near that limit. Furthermore, a significant part of the entire policy address is focused on how genuine assistance can be provided to the low-income group and the poor. The problem cannot be solved by simply increasing the "fruit grant". We have to work hard to identify ways to enhance their quality of life in the long term.

Many issues mentioned in my election platform have no direct relation with the 800 voters. I hope you will look at my platform when the opportunity arises and see whether the issues mentioned therein are directly related to my voters. In actual fact, the focus of my platform is definitely written with the public at large in mind, and it is with intentions when I drafted the platform. I hope you could appreciate the painful efforts I have made in this respect. Earlier on, I have already explained to Mr LEUNG Yiu-chung how I would address the problems faced by the grassroots. I have also stated clearly in my answers to other questions how I hold myself accountable to the elderly and with what painful efforts I have made in this policy address to help them.

I have to thank you for conveying to me the views of the elderly. I accept their criticism and I will surely continue to make great efforts. However, it is most important that we do not form the basis of our work on slogans, and we must say it out sincerely what should be done. So far, what you have been demanding for is an increase in the "fruit grant". But I can only tell you that increasing the "fruit grant" cannot yield the desirable results. We must deal with the problem in a pragmatic manner, which will be more effective in helping the elderly in need.

MR ALBERT HO (in Cantonese): *President, facts speak louder than words. One action taken is better than a hundred slogans chanted. Chief Executive, had you examined the poverty problem in depth, you would have known that there is a need for many of the issues related to inter-generational poverty to be solved. On certain issues, I do give you my support. Take the implementation of small-class teaching as an example, we greatly welcome it, for this is an aspiration we have been holding for years. We have no objection that development will bring about increase in job opportunities. We support you in this. However, concerning the imminent problem of poverty, particularly that of the socially disadvantaged, immediate, direct and effective assistance must be provided. At present, many single elderly people lack the support of their family, but owing to various reasons, they are not eligible for CSSA. They may have some savings, say dozens thousands of dollars, but they do not have any income. They thus have to rely on the meagre "fruit grant" to improve their lives. My question is indeed very simple. Since you can afford a tax revenue cut of several billions — mind you, the reduction in tax revenue is not an one-off exercise but an annual reduction — why then do you refuse to grant a slight rise in "fruit grant"? Mr TUNG did, at his time, wheedle the elderly that the "fruit grant" would be increased to \$1,000, but eventually they were let down. Now, you are in office, and even though Mr TUNG has failed to keep his promise, can you treat them better? But again, you disappoint them. Is this "fruit grant" issue totally beyond consideration? Or do you have mind to cancel the "fruit grant", since the amount is so meagre that it makes little difference in receiving it or not?*

CHIEF EXECUTIVE (in Cantonese): "Fruit grant" is our token of respect for the elderly, which cannot be relied on as a means of living. You and I both know that our welfare polices have put in place other forms of safeguarding measures. I mean to say that if Hong Kong has to spend more resources to help the elderly, a target-oriented approach will be more effective. I have thus

proposed the eight different measures mentioned above with a view to providing genuine assistance to the elderly. I think this would after all be the real solution to the problem.

MR RONNY TONG (in Cantonese): *Chief Executive, the consultation period for the constitutional reform has come to an end yesterday. I wonder if the Chief Executive has noted that it has been six months since the democratic camp brought up the constitutional reform proposal. According to the nine surveys conducted during the period, the proposal, continuously won the support of nearly 60% of the people of Hong Kong, has become the mainstream constitutional reform proposal in society. I do not know if you have watched the television last Sunday. On that day, in the Victoria Park, the people in Hong Kong have set a world record that all the people in Hong Kong are so proud of. At the beginning earlier on, you said that public opinion was the most important criteria for the Government to consider. If that is the case, may I ask how would you prepare to reflect faithfully the mainstream opinions and aspiration of our society to the Central Authorities?*

Second, how would you prepare to convince the Central Authorities, and above all, to convince the opponents of universal suffrage in Hong Kong that the actual situation in Hong Kong is: the people of Hong Kong are adequately mature and sufficiently intelligent to elect the Chief Executive and the Legislative Council through a "one-man, one-vote" process? In this connection, how will you convince the opponents of universal suffrage in Hong Kong as well as the Central Authorities?

CHIEF EXECUTIVE (in Cantonese): Regarding the quest for universal suffrage, the SAR Government has set out a series of plans and has started working on them once it had assumed office. To date, the consultation period has ended. Next, we will inform and report to the Central Authorities about the findings of the consultation in a faithful and complete manner, including all popular proposals and views, and examine whether there will be a need to amend the existing ordinances on election in 2012. We are working in accordance with the Basic Law and presently established procedures. After that, we will continue with the discussion on the design issue and the formulation of a genuinely practicable proposal.

We will encounter great difficulties in carrying out the work I mentioned earlier. Earlier on, you asked me about my obligation, actually, you also have

your part to play in this. Every one of us is obliged to examine how we can convince the people concerned to facilitate the earlier implementation of universal suffrage in Hong Kong. Who are the people concerned? Mr TONG, you know that. I also know that. First, they are the people in this very venue. We have to secure the support from two thirds of them. You are closer to them than I do. And since I can also see them, I will also do my best to fulfil my obligation. But this obligation is a collective one.

Second, we have to convince the Central Authorities. There are many ways to convince the Central Authorities, while I think some methods are more effective than others, oppositions will just do the opposite and can hardly yield positive results. It is most important to let them know that the method we adopt will promote harmony in society, enhance effective governance and further reinforce Hong Kong's unique status as an international finance centre and a maritime centre, and will not allow anyone to feel threatened. These are truly the work to take us forward. I believe if we can reflect on the means to achieve this target and if a consensus can be reached in this respect, we shall be able to implement universal suffrage without delay. I will adopt a pragmatic approach and carry it out with determination. I very much hope that our target will be achieved step by step and produce result.

However, the first thing we have to do, I think, is not simply taking to the street. Rather, we should draw up a proposal that can convince the Legislative Council, thereby securing the support from two thirds of the Members, and forging a consensus in Hong Kong. At present, I think we still have to work on a number of issues, instead of simply attending assemblies held at the Victoria Park. I respect their views and activities, but it is the most important thing to state in what way certain proposal will benefit Hong Kong as a whole and which will be convincing to all the stakeholders.

MR RONNY TONG (in Cantonese): *President, the Chief Executive has not answered my question.*

President, I too know that "every mother is a woman", and I too know that we have to convince the Central Authorities and the opponents of universal suffrage in Hong Kong. My question is: As the Chief Executive, how is he going to convince them? President, the Chief Executive is not a mere mouthpiece but the leader of all the people of Hong Kong. He has to fulfil his obligations. Is Mr TSANG telling us now that he wants to shrink off his responsibilities and will

let the Legislative Council to settle the issue alone? Does he acknowledge his obligation to convince the Central Authorities and the opponents of universal suffrage in Hong Kong? If he acknowledges that this is his obligation, how will he fulfil this obligation? This is my question.

CHIEF EXECUTIVE (in Cantonese): I fully acknowledge that in regard to the implementation of universal suffrage in Hong Kong, the Chief Executive of the SAR Government has unshirkable constitutional obligation. I have already said what we would do. I wonder if Mr TONG did hear me earlier, for I said earlier that the SAR Government had issued the Green Paper two weeks after its establishment to roll out the entire project. It is our target to implement universal suffrage within the term of this Government. During the process, I have to convince many people, including two thirds of the Legislative Council as well as the Central Authorities, but a proposal with consensus has to be identified ultimately. If there is a proposal which requires the immediate abolishment of all seats returned by functional constituencies, how can it secure the support from all parties? Had we thoroughly considered these issues and the actual implementation method? We have to consider this aspect seriously and what we could really reach out for. Therefore, I think we still have to work on this continuously and examine ways to work out a proposal that can secure consensus and support from the Legislative Council. This is the first step to proceed. We will work hard on this respect continuously and I will do my level best. I have tried this in the year 2005, and I will continue to work on it. I hope that when I proceed with the work in this respect, I will receive support from the majority, including the support of Mr TONG.

MISS CHOY SO-YUK (in Cantonese): *President, the Chief Executive has devoted great coverage to heritage conservation and revitalization in the policy address. The DAB has also mentioned those proposals, and is very supportive of them. There is, however, no mention at all of nature conservation in the policy address, and neither is there any mention of the two most important and effective tools for conserving heritage or biodiversity. One of them is in situ or non in situ transfer of plot ratio, and the other is a sustainable investment fund. We all consider these two tools effective for conserving and preserving the heritage or biodiversity of sites.*

May I ask the Chief Executive when he will have the determination and make an informed decision to allow the transfer of plot ratio?

CHIEF EXECUTIVE (in Cantonese): While the transfer of plot ratio is one possible option, it will by itself, however, bear sequelae. Furthermore, it is very difficult to determine the land value of two sites in different locations, which will involve a great controversy. Perhaps I should explore other more desirable options. I believe what you are saying is the preservation of privately-owned historic buildings, and there is a need to make more efforts. If the problem can be addressed simply by transferring plot ratio, it would have been tackled long time ago. The problems involved are not that simple, for instance, what was the original value of the land when it was granted? How about the value of the newly grant land? Is the transfer fair? The question of fairness is not purely determined by one or two experts, but lies with the possibility of forging a consensus in the community of Hong Kong that the problem is fairly addressed. Or else how is it possible to solicit the support of the Legislative Council for the mere provision of monetary compensation? This option needs further consideration. I am confident that our intention to preserve historic buildings is crystal clear, and the efforts of the Government and our determination are also clear enough. It is most important to consider the next move to make. We do not think this is a problem that can be tackled by the implementation of a very general policy, which will cause us to "follow the book blindly" and apply the same approach to all buildings. Rather, a more flexible approach should be adopted. Meanwhile, the Secretary for Development is prepared to first identify the historic buildings to be kept, preserved and conserved. After a consensus is reached, the question of how each individual site is to be preserved will be considered. Exchange of land is one such option.

MISS CHOY SO-YUK (in Cantonese): *Certainly, the transfer of plot ratio is not in any way a simple approach and is not so simple to achieve as it appears. Yet, in practice, there are many successful overseas precedents which worked quite well. May I ask the Chief Executive if he will consider doing the easy thing first by at least adopting in situ transfer before considering non-in situ transfer or any other options? Some studies should at least be conducted in this regard than making no moves at all.*

CHIEF EXECUTIVE (in Cantonese): Studies will definitely be required as this is one of the possible means. Studies must be conducted and should be done this way. Very regrettably, however, historic buildings to be preserved are mostly located in urban areas and it is not easy to find another site in the same area. Therefore, it gives rise to non *in situ* transfer. It is most important to note that we have no intention to exclude the possibility of your suggestion,

which is very effective indeed. Yet, there are difficulties in taking it forward in a way that is fair in the eyes of not the landowners alone, but also the public at large. I think that rather than addressing this issue with a single approach such as yours, it has to be tackled by a basket of means. Therefore, the very first thing to do is the procedure and we have to forge a consensus in the community on the kind of historic buildings that is worth preserving, keeping and conserving. This is the more important thing to do.

PROF PATRICK LAU (in Cantonese): *I wish to ask the Chief Executive a question concerning the characteristics and icon of Hong Kong. You mentioned in the policy address that World Expo 2010 Shanghai will provide an excellent opportunity for us to publicize Hong Kong's quality city life and its position as a creative capital. As we all know, in a World Expo, what is the most important of all is the design of one's own pavilion. May I ask the Chief Executive what is the progress of the preparatory work in this regard? Are we going to have an independent Hong Kong Pavilion at the World Expo?*

CHIEF EXECUTIVE (in Cantonese): We will strive with diligence for an independent pavilion. Certainly, the Government will liaise with the industry concerning the details and preparatory work of this pavilion. It is hoped that through the joint efforts of you and the construction sector, we will be able to set up the most magnificent, the most outstanding, the most successful and the most representative pavilion for Hong Kong.

PROF PATRICK LAU (in Cantonese): *Thank you very much, Chief Executive. I suggest that Hong Kong architects be allowed to organize an open design competition, through which the design concept that can best represent Hong Kong could be displayed for all to see.*

CHIEF EXECUTIVE (in Cantonese): I will relay your views to my colleagues for consideration.

MR FREDERICK FUNG (in Cantonese): *President, the Chief Executive's policy address mentioned what will be done to help members of the public to find jobs, whereas in part D, paragraphs highlighting social enterprises, the*

enhancement of employability and minimum wage can be found. In fact, the Legislative Council Subcommittee to Study the Subject of Combating Poverty of had visited several European countries that shared the same economic pattern with Hong Kong, and had made reference to their practices.....

CHIEF EXECUTIVE (in Cantonese): Which are the countries that share the same economic pattern with us?

MR FREDERICK FUNG (in Cantonese): *What I mean are those countries having free markets, which include the United Kingdom, Spain, Ireland, and so on. Though countries with free markets have been grouped into the same category, they are certainly not identical. Yet, they do share a common direction. Such countries encounter similar difficulties that we face, that is, people having low academic qualification, of senior age or minor disability encounter great difficulties in finding employment. Due to an economic restructuring, the market will not employ them and they are not able to get a job even if they want to. As a result, two approaches have been adopted in these places — President, please allow me to say a little more as I must illustrate with a pragmatic direction and real examples.*

The first approach being adopted in these places is making use of the market. Usually, policies will be formulated to encourage private companies and organizations to employ these disadvantaged group and disabled people, with tax concession provided when they employ up to a certain number or percentage of these people. The second approach is the development of social enterprises. Proposals are made in those countries as to how social enterprises should be promoted, which include giving social enterprise a definition, providing it with funding and loans, outsourcing projects, providing tax concession, and so on.....

PRESIDENT (in Cantonese): Mr FUNG, what follows is time for you to put your question, and that report can be submitted to the Chief Executive.

MR FREDERICK FUNG (in Cantonese): *My question is: The Chief Executive mentioned social enterprises in the policy address and solicited help from the business sector. He has also appealed to the business sector to help combating*

poverty. In all aspects help is being solicited from others. Yet, there is neither any policy nor legislation to follow. I think had the business sector really wanted to help, they would have done so already. The experience of other countries shows that in the absence of government policies, the business sector will have no initiative of doing it in a proactive manner. Has the Government considered genuinely formulating some policies to promote the trend of business participation in social enterprises in the days to come, either in the development of social enterprises or staff recruitment? Because without such trend, there could hardly be any promotion.

CHIEF EXECUTIVE (in Cantonese): Certainly, policies will be implemented. There will definitely be policies to take the matter forward. In fact, what I have said would be the prototype of our policy. Regarding the promotion of social enterprises in the United Kingdom or other European countries, I have come across some knowledge and even studied into them, and there are many things that Hong Kong can model on.

The provision of tax concession is the next thing to do. If the making of provisions or enactment of laws can help promote social enterprises, I think that they should be the scope for consideration when we ponder on the launching of a new policy for the promotion of social enterprise in future. Should Members have other views, we can have some discussion. This is something new and I consider this new subject pretty important. Also, I have said that special effort will be made in this respect during this or the following year.

On the other hand, your experience in Sham Shui Po can serve as inputs for our study and views. The suggestions that you have just made, like the provision of funding, soliciting help from other enterprises for development, and so on, have all previously been raised by me and I do not wish to repeat them. I am sure that these are the necessary elements, and the most important of all is how the overall policy could be launched. I think that I will handle the matter personally, but I also hope that you will support me with your experience, which will, I believe, enable the entire project to become entirely sound.

MR FREDERICK FUNG (in Cantonese): *President, I wish to follow up one thing. The promotion of social enterprises is one of the pledges made by the Chief Executive in his election platform during the election, but what he said today is more or less the same as his platform. I do not see how he has further elaborated on the actions to be taken.*

I recall that when the Chief Executive consulted us on the policy address in early September, I had also mentioned the social enterprises. Yet, due to a shortage of time, I had only highlighted the outline at that time. Nonetheless, the Chief Executive told me that proposals would be set out in his policy address. But, so far as I can see, the contents are more or less the same as those stated by the Chief Executive during his election. So, I wonder if the Chief Executive will tell us more in this Question and Answer Session as I still find the policy address pretty vague in respect of the definition and direction for social enterprise. Neither can I see the intensity of government actions. Will the Chief Executive give us more details here so as to enable us to feel that you have the heart for the work?

CHIEF EXECUTIVE (in Cantonese): The Policy address does mention this issue — as you should not forget that the new term of Government, that is, the third term SAR Government, was established not too long ago, but for a mere three months. Therefore, I hope that you can give me some time to do the work.

If you ask me whether I have the heart, I can tell you that I will take the lead in doing it. I will take personal charge of the future summit. Furthermore, we have wasted no time as my colleagues, various non-government organizations and relevant enterprises have already discussed how this matter could be genuinely taken forward with a view to making good preparation for the summit and formulating a desirable policy. I hope that you will be able to see the birth of the policy concerned when the summit on social enterprises will be held towards the end of this year. I will make the best use of this period of time to do more so as to present a clearer idea on the work I am going to undertake and to describe them with greater clarity, OK?

PRESIDENT (in Cantonese): It is now exactly 4.30 pm. Today, 24 Members have indicated their wish to raise questions, and 18 of them have put their questions. I am very grateful to the Chief Executive for replying Members' questions.

Members will please remain standing when the Chief Executive leaves the Chamber.

CHIEF EXECUTIVE (in Cantonese): Thank you.

NEXT MEETING

PRESIDENT (in Cantonese): I now adjourn the Council until 11.00 am on Wednesday, 17 October 2007.

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