

# OFFICIAL RECORD OF PROCEEDINGS

Thursday, 25 October 2007

The Council continued to meet at Nine o'clock

## MEMBERS PRESENT:

THE PRESIDENT

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

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

THE HONOURABLE ALBERT HO CHUN-YAN

THE HONOURABLE LEE CHEUK-YAN

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

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

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

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

THE HONOURABLE MARGARET NG

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

THE HONOURABLE CHEUNG MAN-KWONG

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

THE HONOURABLE BERNARD CHAN, G.B.S., J.P.

THE HONOURABLE CHAN KAM-LAM, S.B.S., J.P.

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

THE HONOURABLE LEUNG YIU-CHUNG

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

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

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

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

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

DR THE HONOURABLE YEUNG SUM, J.P.

THE HONOURABLE LAU CHIN-SHEK, J.P.

THE HONOURABLE LAU KONG-WAH, J.P.

THE HONOURABLE LAU WONG-FAT, G.B.M., G.B.S., J.P.

THE HONOURABLE MIRIAM LAU KIN-YEE, G.B.S., J.P.

THE HONOURABLE EMILY LAU WAI-HING, J.P.

THE HONOURABLE CHOY SO-YUK, J.P.

THE HONOURABLE ANDREW CHENG KAR-FOO

THE HONOURABLE 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

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:**

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

THE HONOURABLE JAMES TO KUN-SUN

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

**PUBLIC OFFICERS ATTENDING:**

THE HONOURABLE HENRY TANG YING-YEN, G.B.S., J.P.  
THE CHIEF SECRETARY FOR ADMINISTRATION

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 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 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

**CLERKS IN ATTENDANCE:**

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

MS PAULINE NG MAN-WAH, ASSISTANT SECRETARY GENERAL

MRS VIVIAN KAM NG LAI-MAN, ASSISTANT SECRETARY GENERAL

MRS JUSTINA LAM CHENG BO-LING, ASSISTANT SECRETARY  
GENERAL

**PRESIDENT** (in Cantonese): Clerk, please ring the bell to summon Members to come into the Chamber.

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

**PRESIDENT** (in Cantonese): A quorum is present. The meeting will now start. We now continue with the second debate session of the Motion of Thanks.

## **MEMBERS' MOTIONS**

### **MOTION OF THANKS**

#### **Continuation of debate on motion which was moved on 24 October 2007**

**MS EMILY LAU** (in Cantonese): President, I hope that the tense atmosphere of debate will ease a bit after one night's sleep. I guess Secretary Edward YAU must have expected to face such a vigorous debate for I have reminded him of this at the panel meeting held this week. During another meeting attended by him, Chairman Audrey EU and me last week, I also told him that the work under his purview was very tough because the interests of many people or some other things do hinge on him. He can only accomplish his mission by restraining other people from taking any action, or doing something on his own to exert influence on others. His work and that of Secretary Dr York CHOW may share some similarities, as both of them sometimes have to face great difficulties.

I am not only a Legislative Council Member, but also a member of the Business Facilitation Advisory Committee appointed by the Government. I therefore appreciate the worry of the business sector about striking a proper balance. However, the balance achieved eventually must be in the interest of Hong Kong people at large and for the benefit of their health. This explains why the Secretary Dr York CHOW's proposed smoking ban was fully supported by Members. Nonetheless, if there is anything that I can do for the business sector, I will still speak out, hoping that Secretary Edward YAU will respond to it with his best effort.

In view of the wide support rendered by Members yesterday, especially our allies, the Administration should know better that our act is not guided by affinity. We target issues, not individuals. During the meeting held on Monday, I reminded Secretary Edward YAU to bear in mind the remark made by Secretary Carrie LAM at last week's panel meeting, which is very fair. At the meeting, I asked her a question about consultation and she replied that she had consulted so and so. I then asked her why the Legislative Council had not been consulted, and her reply was, as far as she was aware, it would be much easier for the Legislative Council to take follow-up actions if the community could strike a common chord. President, Secretary Carrie LAM is a pretty impartial person when compared with the different Directors of Bureaux or civil servants, who had indicated publicly that this Council should be blamed for obstructing their work when a problem arises. Secretary Carrie LAM, however, was able to see that Members will not try to stir up trouble. Only issues that have an impact on society will be referred to this Council for further actions. When we have meetings, monumental scenes as in the "Ben-Hur" film will be seen, and this is what all Directors of Bureaux should know. Therefore, Secretary, I hope that you will be able to achieve a balance in your work. TSANG Tak-shing, Secretary for Home Affairs, will certainly give you a hand, and so do us.

President, I will highlight a few points regarding environmental protection. Issues relating to the two power companies were raised yesterday, which have actually been discussed a couple of times during this week. I strongly support the Secretary's move to impose legislative regulation on the emission cap of the two power companies, which this Council is duty-bound to do. Nothing has been hidden by the Secretary for the issue has already been put up for discussion. There is no reason for him to table the bill to this Council one day all of a sudden. In my opinion, what he did is well justified. During the discussion with Honourable colleagues here yesterday, we all agreed that there might be a need to introduce legislation to govern the Scheme of Control Agreements. Why were they not clearly laid down in the form of provisions in law? The discussion still continues, and I wonder how much longer the discussion will last as we are running out of time. Therefore, President, I believe the Secretary should understand that everything will be clearly set out once the legislation is introduced. While closed-door discussions should be avoided, all the rules and requirements must be clearly specified. This is the approach which I will support.

President, I have proposed time and again that greenhouse gas (GHG) emissions should be incorporated into the legislation to be introduced regarding the emission caps of the two power companies. This is, however, the last thing which the Administration, either the former or incumbent Secretary, would be willing to consider. And yet, I still hope that the Secretary will consider one point. Since he said that the problem of global warming would be dealt with, GHG emission is an essential part of it.

President, another important issue is energy conservation. While it is suggested by the Secretary himself, no policy has been introduced so far. At least not government departments alone, but all other departments operated with public funds, including universities and other institutions, should be subject to stringent control. They are required to switch off the lights and other energy-consuming items on leaving the office, which is considered a very effective measure in conserving energy. I hope that the Secretary can put it into practice.

As for the liquefied natural gas terminal at Tai A Chau, we are still waiting for a report from the Administration and reference will be made to Yacheng. While the CLP Power said that gas supply would soon be exhausted at that time, some said that the supply would continue. As a result, the then Secretary Stephen IP advised that a consultant would be engaged (what he is best at) to carry out an investigation. We are still waiting for the result which, however, could be rather controversial even if there is one. I therefore do not agree that the Secretary should make that move.

Furthermore, President, I will quickly go through a few more points. The Secretary said that he wish to introduce a law to require all industrial and commercial undertakings to use ultra low sulphur diesel. I agree with this. However, I appreciate the people's concern that the cost will definitely increase as a result. President, in fact, the financial conditions of many people are rather bad and they are facing very difficult times. So, should we be more sympathetic in this regard? The Secretary must be very cautious, or else he may not succeed. Should the Secretary say that the legislation will only be introduced in the first quarter of next year, we will then have a very tight timeframe as this Council will be dissolved in mid-July. Assuming that the legislation will not be introduced until the first quarter and the provisions are controversial, the necessary work may not be completed. I do not want to see that the Administration fails to get its job done either.



Furthermore, with regard to ferries, the Secretary said that environmentally-friendly fuel will be used. I strongly support this proposal too. However, while many ferry companies are operating in the red, those of a smaller scale are also in great operating difficulties. I support the use of environmentally-friendly fuel, but how can the support of the trade be secured? Is it necessary for the Government to provide them with financial support? President, I believe consideration should be given to this.

I also wish to talk about the landfills. President, this is again a very controversial issue. In my constituency, Tseung Kwan O, pan-democrats from different parties, including the Democratic Party, and other people have raised opposition to the proposed extension of the landfill at Tseung Kwan O. What is more, it has been said that an incinerator would be built in either Tseung Kwan O or Tuen Mun, which has again met with strong local opposition. So, is there a need for the Administration to take some actions? First, reducing the charge by the largest possible margin by all means; second, ensuring that the proposed extension, if implemented, will not cause any impact on the residents' health and the environment, and providing statistics as proof when the incinerator is actually built. Secretary Dr York CHOW needs to help Secretary Edward YAU to explain to the public that the incinerator in question will not bring any problem at all. Rather, it may bring benefits to the district — in response to the relevant point raised by me the other day, the Secretary said that this could not be called "sweetener" — it is fine whatever it is called. We have once visited Japan, where an incinerator is planned to be built in the Kawaguchi City, plus a community hall, swimming pool and park too. The discussion on this project took as long as seven years. President, other people can make it, so can we. If the discussion ends up in a big fight, it can never yield any result.

Therefore, I hope the Secretary will tell the Chief Executive that Members do not act on infinity, but will look at the facts. Proposals that are beneficial to the general public will be supported. Lastly, just as one Member did, I would like to wish Secretary Edward YAU good luck.

**DR YEUNG SUM** (in Cantonese): Madam President, I rise to speak on behalf of the Democratic Party primarily on conservation mentioned in the policy address. However, before I give my opinions, I would like to respond briefly to the support given by Mr LEE Wing-tat on behalf of the Democratic Party to

Secretary Edward YAU in legislating on the regulation of the two power companies. As an elected representative of Hong Kong Island, I have put up with the Hongkong Electric Company Limited for a long time, (*laughter*), for residents on Hong Kong Island have been paying 30% more for each unit of electricity than residents of Kowloon. Every day, when I see the three chimneys on Lamma Island from my home, I think of kids suffering from asthma living on Hong Kong Island, and then the withdrawal of overseas investors in succession from Hong Kong, and even remarks made by overseas marathon runners running in the races here every year for not coming to Hong Kong again. Actually, society is paying expensive costs for this, both on the tourism and economic development fronts, and at the expense of the health of the people of Hong Kong. So, we should no longer give way to them. If the Government is really concerned about the interest of society, it should legislate immediately to link the emission level of power companies to their rate of return, and a double-digit rate of return should not be allowed. No double-digit rate of return is guaranteed in this world any longer, for it is outrageous.

Madam President, this is the first policy address delivered by Chief Executive Donald TSANG after his re-election. When he ran for a second term of office, he expressed grave concern about heritage conservation. In this policy address, he has made commitments in this respect and put forward a number of concrete proposals. These proposals include earmarking \$1 billion for non-governmental organizations to apply for adaptive re-use of historic buildings, offering financial support for the maintenance of privately-owned graded historic buildings, requiring public works projects to undergo heritage impact assessments, and setting up a Commissioner for Heritage Office to co-ordinate heritage conservation work. We affirm all the efforts made in this respect.

According to the policy address, the conservation and revitalization projects will include the Central Police Station Compound at Hollywood Road, the original site of the Central School and the Open-air Bazaar in Wan Chai. These projects are included in response to some of the conservation requests made by the Democratic Party, and I have to thank the Government for making these responses. However, issues on the *in situ* preservation and reprovisioning of the clock tower of the Star Ferry Pier and the Queen's Pier, as well as the preservation and further conservation of the Government Hill, being called the Victoria City at the time, and so on, remain unsettled. The Democratic Party hopes that the Government will also consider these issues seriously.

Nevertheless, the administrative measures proposed by the Government are only the first step in taking forward heritage conservation, though better than the present situation where nothing has been done. As to how the demolition of privately-owned historic buildings can be prevented, the Government indeed needs to conduct a detailed study. In the written reply, the Secretary told me that the Government would have to assess more than a thousand buildings expeditiously. I welcome the action taken by the Secretary.

Regarding the approach for the revitalization scheme proposed by the Government, regular reviews must be carried out to assess the effectiveness of the scheme in achieving the purpose of conservation and revitalization genuinely. Regarding the wholly commercialized revitalization scheme, assessment has to be made to see whether the scheme will eat up the original heritage and historic value of these buildings, and even create an opposite effect, stifling the interest of the public in appreciating and understanding the meaning of heritage and history because commercialization and revitalization are overdone. Striking a balance between the two factors and ensuring their compatibility are critical to the success of the revitalization scheme.

Take the revitalization plan proposed by the Hong Kong Jockey Club on the Central Police Station Compound at Hollywood Road as an example, which the Chief Executive has accepted in principle. Members of the Legislative Council have not at all been given any opportunity to voice their opinions, but the site has already been assigned to them. At the district level, residents of Central and Western District have already voiced strong criticisms against the construction of a landmark building 160 m in height beside the historic building compound. Though the designer says that the building will form a landmark of Hong Kong and revitalize the building, it has aroused strong opposition from the residents of the district.

The newly established post, the Commissioner for Heritage, is pitched at D2 directorate rank. The Commissioner will be responsible for co-ordination work, but his or her power is limited, failing to play a decisive role in heritage conservation. Eventually, the Secretary for Development will be playing two roles concurrently. She is the Secretary for Development on the one hand, and the Antiquities Authority who is responsible for deciding the fate of heritage and monuments on the other.

The Secretary for Development, who is responsible for ensuring an adequate supply of land in Hong Kong, has to exert her utmost to limit the

development of land for the sake of heritage and monuments conservation. As these two tasks, which compete for land resources, are undertaken by the same person, in the event of conflicts, the Secretary may easily desist from pursuing the best conservation option owing to other considerations.

On behalf of the Democratic Party, I would like to stress particularly that the Government should take a step forward to examine as soon as possible the establishment of an independent statutory organization on heritage conservation which will specialize in heritage conservation work from a professional perspective. The Government should also consider empowering this statutory organization to declare sites as heritage and monuments. The organization should have the financial power to make decisions on the acquisition of privately-owned property with heritage value for conservation and be responsible for compensation issues, and to operate and manage, including revitalization, heritage and monuments, as well as promoting education on heritage conservation.

In late September this year, the Democratic Party conducted a survey and interviewed nearly 900 members of the public. Nearly 80% of the interviewees supported the Democratic Party's proposal of establishing an independent statutory organization with financial power. Madam President, this is of the utmost importance. Hong Kong is a society practising capitalism, and it is our core value to support private property ownership. Therefore, the Government cannot just acquire the property of the people in the interest of society and without compensation. Hence, it is most important that the organization has financial power, for the organization will specialize in conservation work related to heritage and monuments in Hong Kong.

As early as September 2002, the Conservation Advisory Panel under the Urban Renewal Authority held a forum in Hong Kong and suggested the Government to consider the establishment of a heritage fund and a statutory framework to provide protection and funding for the renovation of monuments. Though it has been five years since 2002, neither a heritage fund nor a statutory framework has been put in place.

As proposed in the policy address, the Government has actively explored various new arrangements to provide economic incentives for private owners to encourage heritage protection by the private sector and to offer financial support

for the maintenance of privately-owned graded historic buildings. We hope the Government will continue to actively conduct studies in this direction.

Also, we suggest the Government to consider first earmarking \$1 billion as the seed money for the establishment of a heritage conservation trust fund to attract more private donations to the fund, thus providing support for heritage conservation work. The operation of this fund may serve the function of a intermediary, offering early assistance to the conservation of historic buildings donated by or purchased from private owners and providing sustained maintenance and repair services and appropriate adaptive conservation plans, so that valuable historic buildings can be spared from being demolished as a result of development. In a paper on "Heritage Conservation Policy" provided by the Government, it was mentioned that we had to wait for another five years, which means the establishment of the fund will only be examined after the Chief Executive has finished this term. We think the delay is utterly ridiculous.

Madam President, in 1997, we made an all-out effort to protect the Victoria Harbour, since then, we have seen the demolition of the Star Ferry Pier and the Queen's Pier in succession, and the disfiguring of King Yin Lei. Worse still, more cultural heritage of historic value to Hong Kong and with local characteristics may be demolished one after another, vanishing in the course of urban development. We should wait no more. As the Government has already acknowledged heritage conservation as an important long-term task to a new Hong Kong, and the Secretary is shouldering such an important mission, the Government should start examining the establishment of a statutory organization, as well as the framework and functions of a conservation fund as soon as possible, so as to tie in with the heritage conservation policy correspondingly. This will enable the conservation of valuable local heritage on the one hand and enable the public to understand the history and development of Hong Kong from a more realistic and multi-dimension perspective on the other. Thank you, Madam President.

**MISS CHAN YUEN-HAN** (in Cantonese): Good morning, in this session on quality city and quality life, I will discuss several problems. I would like to talk about the emissions reduction by power companies mentioned by the Chief Executive in paragraph 40 of this policy address. I am a member of the former Commission on Strategic Development. During discussions on global warming and air pollution, the Commission examined the relevant sources of pollution,

including the two power companies, ferries, and so on. However, at that time, I felt that the SAR Government still lacked the determination to deal with these problems. I am talking about the situation last year. However, this year, after hearing the remarks made by Secretary Edward YAU, for I happened to be at the meeting of the relevant committee on that day, and those by the Chief Executive in paragraph 40, I think the Government, in comparison with the case two years ago, has changed and taken a clear-cut attitude. We welcome this. In the 40th paragraph, the Chief Executive expressed his hope of implementing the new regulatory regime before the end of this year. It is evident that the Government's stance is very explicit. However, he stopped short of telling us clearly what the Government would do if the issue could not be settled by year end.

This time, the Secretary said that legislation would be enacted. I think this is very clear. We have been facing air quality problems for a long time. Strictly speaking, the two power companies are the main culprits. I think, the stance put forward by the Secretary shows that he is willing to drum up the resolve to tackle an issue which the public has long since desired the Government to deal with. I wish the Chief Executive will also display such resolve. Surely, on the issue on minimum wage and standard working hours mentioned in the policy address this year, the Government has also shown its determination by setting a timetable. But when it comes to actual implementation, it relies on the Government to adopt the same attitude it has adopted in handling the case of the two power companies. Honestly, if society really has to settle some insurmountable problems, such enthusiasm is also required to make the people of Hong Kong feel that the Government is resolute about delivering strong governance. If the Government on the contrary remains indecisive as it did in the past more often than not, this will not work. Therefore, we welcome the Secretary for putting forward this point.

Certainly, apart from the regulation of the emissions of the two power companies, the lowering of electricity tariffs is also mentioned in paragraph 40. I live on Hong Kong Island, Madam President, so I feel strongly about this. Residents on Hong Kong Island despise the Hongkong Electric Company Limited (HEC). Clearly, over the years, when the other power company lowered their tariffs, the HEC would not follow suit. But before the other power company increased their tariffs, the HEC would take the lead. Therefore, more often than not, residents on Hong Kong Island hold strong opinions against the practice of the HEC. Hence, the present approach adopted

by the Government on issues related to people's livelihood, global warming and responsibilities is most welcome.

Moreover, under the heading of quality city and quality life, heritage conservation is mentioned. In this policy address, the Chief Executive has devoted seven paragraphs, from paragraph 49 to paragraph 50 (sic), to heritage conservation initiatives, such as the conservation of the Central Police Station Compound, the original site of the Central School and the Open-air Bazaar in Wan Chai, which can be regarded as a response to the aspiration aired by the community in recent years. I acknowledge this approach with absolute delight. However, at the same time, regarding the conservation policy on heritage in the community, which has been under discussion in this Council in the recent years, a great number of loopholes are found. Why has the Chief Executive not dealt with these problems this time around? In September, the Executive Council endorsed a document on conservation, but despite repeated studies, I cannot find the mention of any policy in any part of the document. I think, in the absence of a review of the Antiquities and Monuments Ordinance and the urban renewal strategies, the present policy is a bit disappointing. Definitely, I am not denying the effort made by the Government in answering the aspiration of society. However, if the problem is not tackled at root, the policy will be difficult to implement, even by the incumbent Secretary.

For instance, on that day, I posed three questions in a row to Secretary Carrie LAM, and the Secretary was "checked". Why certain approaches which were considered practicable originally would become impracticable? Since it was about the same issue, why would it become impracticable? We, people who have read logic or sociology, will not accept such approaches. I think we cannot act in this way. Now, I have an impression that by clamouring, by making louder clamour and securing more support, there will be a chance of getting your way. I think this situation is undesirable to society at large. More so, concerning the heritage conservation policy, I think the prolonged implementation of these stopgap measures will be less than satisfactory.

Over the past few years, I have been pondering why these incidents and the development of the Urban Renewal Authority (URA) will, more often than not, spark off a lot of social problems and result in many unhappy incidents? Mostly, it is because the Government, in the face of certain problematic ordinances, fails to tackle the problems at the policy level. Though progress

has been made in this policy address, some problems remain unsolved. This is another cause of discontent.

In paragraph 54 of the policy address, the Chief Executive said that economic incentives had to be provided to encourage private owners to protect heritage. However, the Chief Executive stopped short of saying what kind of economic incentives might attract them to do so. I think this is an area worthy of consideration by the Government.

Actually, the community has put forth many opinions. For instance, in respect of the transfer of plot ratio, some entirely feasible options are available. The Government has been talking about this for a long time, but it is still lingering on peripheral issues. To date, the Government has not at all discussed and handled the issues related to the transfer of plot ratio.

Madam President, at first, the Government seemed to be very enthusiastic, proposing to even establish the Commissioner for Heritage Office, a measure that I welcome. However, I worry these organs will eventually be made a scapegoat and be used to shield the Government from organizations like us which have voiced our aspirations incessantly. I hope this is not the actual case. However, the community usually thinks so. If the overall policy remains unchanged, will the establishment of a new office, though welcomed by us, provide a solution to the problem? This is exactly the point to which we have to pay attention.

Madam President, more often than not, we notice that the Government is making green efforts, starting from Tsim Sha Tsui and Central, and then Kowloon East. We welcome the efforts made in this respect. We have had a special meeting discussing the issue with the Permanent Secretary and the two Directors. At the meeting, we pointed out that the so-called greening work carried out now was only aesthetic in nature, falling short of greening standards. To accomplish greening, the work carried out should meet certain requirements. Take the Morse Park in Kowloon that I am familiar with as an example. Park No. 1 to Parks No. 4 and No. 5 are not linked together, totally failing to comply with the overall greenery requirement. The park has been established for 40 years and there are many huge and beautiful trees. However, if one goes from one part of the park to another, one has to walk up a road, cross another, and then continue walking up yet another road, cross a road again to go uphill and climb a flight of stairs, and cross another road. If we compare this layout with those in Japan and other countries, we will find that there is a sea of difference.



I think that when the Government talks about "greening", it only confines "greening" to the conceptual level but stops short of coming up with specific measures.

Moreover, concerning greening efforts, I think the vertical greening and roof greening work now carried out in the Mainland must be mentioned, for this is an area which the Government needs to consider. I feel that the Government is now moving forward. But, obviously, in view of the problems of global warming and air pollution, the Government has to move further ahead on all fronts.

Also, I would like to point out another problem. In respect of this problem, more often than not, the approaches adopted by the Government are inconsistent. For instance, I think that when we discuss the issue of greening, we should also think about the function of water. Actually, at present, many cities attach great importance to water in their town planning, for water is considered as a means of lowering temperatures. Let us look at the case in Seoul. The city has made some effort on the Cheonggyecheon, and when the stream runs again, it lowers the temperature of the area by more than three degrees. How is this achieved in reality? Has the Government ever conducted any study? The community is now endeavouring to tell the Government that water and greenery should be arranged appropriately in urban areas. The Drainage Services Department once took me on a visit to the New Territories and I was glad to see the situation there. But I then asked them why this approach could not be adopted in the urban areas. Why can an open nullah be kept in Tuen Mun but not other places in the urban areas? Why is this approach not applicable to Kowloon East? Why? I think the Government has to draw up a comprehensive greening and environmental design scheme to bring out the entire concept.

Therefore, to date, though I welcome the mentioning of the nullah in Tuen Mun by the Chief Executive, I cannot help asking why the policies are so inconsistent. Concerning the improvement of environment, why is a comprehensive greening concept lacking? Should "greening" be confined to trees only? Besides trees, should water be considered? I think the Government has to think through these issues, and I hope the Government can get down to some true discussions with the people about these issues.

Madam President, I so submit.

**MS MIRIAM LAU** (in Cantonese): Madam President, environmental protection is the key policy agenda set by the Chief Executive this year. I will first give my views on clean fuels.

The Chief Executive proposed to lower the duty rate for Euro V diesel to \$0.56 per litre to encourage the early supply of this more environmentally-friendly fuel with 80% less sulphur content than ultra low sulphur diesel (ULSD), which is known as "sulphur-free diesel" overseas, on the local market.

All along, both the transport industry and I support the introduction of environmentally-friendly fuel. In 2000, as a result of vigorous push by the industry and I, Hong Kong became the first city in Asia to introduce ULSD. Concerning the successful introduction of ULSD back then, credit should be given to the Government for lowering the duty rate for ULSD to keep the price below that of ordinary diesel to attract drivers to switch to ULSD. At that time, the Government gave an undertaking to ensure the price of ULSD would not exceed the prevailing price of ordinary diesel.

The further reduction of sulphur-free diesel duty by the Government this time seeks to attract drivers to switch to sulphur-free diesel. However, drivers are very sensitive to diesel prices. The industry wish to know whether the price of sulphur-free diesel will be higher than or equal to that of ULSD. The Chief Executive and government officials all said that owing to the fluctuation in oil prices, it was difficult to estimate at this stage the price of sulphur-free diesel at the time of introduction. Despite that, the industry should at least be informed of the cost differential between these two types of diesel, ULSD and sulphur-free diesel. But the Government refused to provide the information. I thus try to find out the answer myself. According to the documents I found, the European Commission conducted a study in 2001, which found that when the sulphur content of ULSD with sulphur content below 50% (that is, 50 ppm) was reduced to 10 parts per million, that is, 10 ppm, the diesel was sulphur-free. According to these documents from Europe, the additional refining cost incurred is around €0.005 per litre, which is 5.5 cents on the basis of the current exchange rate — Secretary, please listen carefully, it is 5.5 cents — only one tenth of the further reduction in diesel duty, that is \$0.56, now proposed by the Government.

If the aforesaid figures are largely correct, with the provision of the \$0.56 additional tax concession, the pump price of sulphur-free diesel ought to be lower than the current price of ULSD, whereas the industry should be able to benefit partially from the concession. However, the Government refuses to state it clearly. The industry is extremely anxious that even though the Government has provided such concession and that sulphur-free diesel is cheaper than ULSD, they may not have the blessing to enjoy the benefit. I recall that back then, when ULSD was introduced to Hong Kong, oil companies indicated that fuels had to be transported from Northern Europe to Hong Kong, and the cost differential between ordinary diesel and ULSD per litre was \$0.89. The Government thus offered a tax concession of \$0.89 per litre to enable the industry to use more environmentally-friendly diesel at no extra cost. But two months later, oil companies made an unexpected change by importing ULSD from Singapore. Nonetheless, the price of ULSD was not lowered at the time to reflect the corresponding cut in transportation costs. At that time, oil companies explained that there was no room to lower the price because they had to carry out oil tanks cleansing, launch promotion and offer concessions. It was evident that the Government had provided a tax concession of \$0.89 per litre. Despite the various pretexts put up by oil companies, they were indeed suspected of pocketing the price difference. This memory is still vivid to the industry. A point which made the industry felt uneasy at heart was that, despite the obvious fact that oil companies had pocketed the \$0.89 tax concession, the Government repeatedly said in the opposite that the industry had benefited and that tax concessions totalling \$1.78 have been granted to the industry.

To ensure that the tax concession granted will be reflected in the selling prices and to ease the worries of the industry, the Government should obtain more information from oil companies to understand the cost differential between ULSD and sulphur-free diesel. To avoid arousing suspicion, oil companies should take the initiative to provide the relevant information. Otherwise, the tax concession on sulphur-free diesel offered by the Government, which is intended for the improvement of air quality and alleviation of the heavy financial burden of the industry, killing two birds with one stone, will only fatten the pockets of oil companies. I believe this is definitely not the wish of the Government. I hope the Government will step up its efforts in this respect.

Though I strongly support the use of more environmentally-friendly fuels, we should know clearly the efficacy of these so-called environmentally-friendly

or more environmentally-friendly fuels in environmental protection. To what extent are they effective? Actually, at present, the sulphur content of the so-called sulphur-free diesel is 80% lesser than ULSD. As I have said earlier, the sulphur content of this type of fuel has been lowered from 50 ppm, the sulphur content of existing low sulphur diesel, to 10 ppm, and the reduction is thus 80%. However, it does not mean that emission will also be reduced by 80% with the use of sulphur-free diesel. According to a study conducted by the European Commission, particulates emitted by Euro I to III diesel vehicles would only be reduced by 5% after switching to sulphur-free diesel, while the level of other pollutants would remain unchanged, standing at the same level before the switch but no better. If Euro IV vehicles switch to sulphur-free diesel, the reduction of carbon dioxide emission will only range from 1% to 3%, but the level of all other pollutants will likewise remain unchanged.

Indeed, I think a more effective way in reducing emission is to rely not only on these more environmentally-friendly fuels, but to encourage the industry to use vehicles of new models, the latest model. However, despite the provision of \$3.2 billion by the Government to encourage the industry to use vehicles of new models, the result left much to be desired, and the rate of vehicle replacement has been low. Yesterday, Mr Jeffrey LAM cited figures in this respect, stating that among the existing tens of thousands of vehicles, only a thousand-odd vehicles had been replaced. This should be attributed to the operating difficulties now faced by the industry, for the Government's offer can only be likened to "the soy sauce" in a soy-sauce chicken dish, whereas most members of the industry lament that they really cannot afford "that chicken". I hope the Government will consider extending the subsidization period and expanding the scope of replacement subsidy to Euro II and Euro III vehicles to encourage more vehicle owners to replace their vehicles with Euro IV, or even Euro V, vehicles. This will definitely be more environmentally-friendly.

Madam President, the Government has also laid down the specifications on the use of biodiesel as motor vehicle fuel. I welcome this initiative of the Government to further promote environmentally-friendly fuels. For some biodiesels now available in the market, claiming to be "environmentally-friendly fuels", are trying to pass fish eyes for pearls, and their content is unknown. On the other hand, for the formulation of a comprehensive policy on environmentally-friendly fuels, the Government should further ensure the effective recovery of used oil from restaurants, food establishments and

factories. At the same time, the Government must ensure adequate channels for the sale of biodiesel. Otherwise, biodiesel will only be reduced to a policy on paper, failing to promote the use of environmentally-friendly fuels.

With regard to the use of high-quality fuels by vessels or ferries plying the harbour, I must point out that most of the ferry companies in Hong Kong are now running at a loss. If they are required to use high-quality fuels with lower sulphur content, it will definitely give rise to a realistic problem, an increase in operating costs. Will the public be prepared to bear the costs concerned? Ms Emily LAU has also mentioned this point earlier, seemingly appreciating in entirety the extremely difficult business environment faced by shipping lines or ferry companies. However, when an application for fare increase is submitted by them, I hope Ms Emily LAU and Honourable colleagues will be more sympathetic in handling the application. Therefore, if — I am now turning to the Government — if the Government intends to encourage the land transport industry to take various measures to improve the air quality, it may consider providing certain incentives. For instance, it may consider providing some economic incentives or assistance to local ferry companies to encourage them to switch to high-quality fuels and implement other emission reduction measures while ensuring that the public will not have to bear excessively high ferry fares. Even if a fare increase is required in the future, it is hoped that the increase will not be substantial.

Green port has become an international trend. The Legislative Council is now examining the Merchant Shipping (Prevention of Air Pollution) Regulation, in which the requirement of the International Maritime Organization (IMO) on the use of diesel with lower sulphur content by international vessels is implemented. Though the sulphur content of these fuels is lower, as per the present requirement for fuels with lower sulphur content, the level is still as high as 4%, far higher than our required level of 0.005. The sulphur content required is not only higher than ULSD, but even higher than that of the industrial diesel oil used in Hong Kong. Nevertheless, this is at least a good beginning for standardizing the various fuels used by international ocean-going vessels. We can of course set a higher standard, but we should never think that Hong Kong can achieve this unilaterally. Take Baltic Sea as an example. All vessels entering ports of Baltic Sea must use low sulphur diesel, for a cluster of ports of Baltic Sea has reached an agreement, which has been acknowledged by the IMO, unanimously on the use of standardized diesel. Under such circumstances, only

international ocean-going vessels using low sulphur diesel will be allowed entry to Baltic Sea. Therefore, if the Government intends to develop Hong Kong into a green port, it must consider this clustering approach. In this connection, the SAR Government should discuss the issue with the authorities concerned of Guangdong Province and examine how to develop the cluster of ports of the Pearl River Delta into green ports.

Concerning the banning of idling vehicles with running engines, I support the ban, for this is not only a fuel-saving measure to drivers, but also a means to make air by the roadside fresher. I believe it is no a difficult task for drivers of private vehicles. Drivers of goods vehicles, excluding a small number of long idling vehicles, will not find it difficult to comply too. As for passenger vehicles, the Government must consider their actual operating condition and need. Therefore, I hope the Government and the industry will discuss the issue together and draw up the relevant guidelines to let drivers know when they can start their vehicles and when they should turn off their engines. On the other hand, apart from achieving a consensus among drivers on the banning of idling vehicles with running engines, such measure must also be agreed by passengers. Hence, the consultation conducted must be extensive to ensure that a proposal acceptable to various parties can be formulated.

Madam President, before coming to the topic of waste management, I would like to share my personal experience with Members. I strongly support the principle of 3R, that is, reduce, re-use and recycle. If we can reduce waste at source, re-use those items until they cannot be used anymore, and then send them to recycling, I believe waste will be reduced substantially. However, I would like to point out one thing, that is, though the public has the responsibility to reduce waste, and I know many people strongly support this approach, the Government must provide adequate support or assistance to let the public work in line with the Government's policy. For instance, residential space in Hong Kong is very limited, if recycling bins are not provided below each building or on different floors, or that the capacity of recycling bins is too small, it will be quite difficult for the public to do waste separation, which will lower the recovery rate.

Certainly, there are certain types of waste which cannot be re-used or recycled and have to be sent to landfills. As the existing landfills will soon reach capacity while Hong Kong faces a scarcity of land and a large population, the construction of incinerators with advanced technology is indeed a more

desirable option. However, I believe many people still resist this waste disposal method, mainly because they worry that incinerators may emit hazardous gases which will not only affect the environment but also threaten the health of residents nearby. Nowadays, incinerators are equipped with advanced technology and the negative impact on the surrounding environment is thus minimized or even reduced to nought. Many examples of this type can be found overseas, proving that the integration of incinerators into the community is possible. More importantly, residents are co-existing with these incinerators without actually noticing their presence. However, in this connection, I still hope that the Government, before confirming the construction of incinerators, will step up its efforts in providing briefings to the public to let them know the operation of modern incinerators and the relevant technology in depth, thereby reducing the resistance of the public.

Madam President, lastly, I would like to talk about environmental conservation and heritage protection. The Liberal Party supports that the purpose of environmental conservation and heritage protection may be achieved through public-private partnership. Successful examples of public-private partnership are not lacking overseas, which show that while achieving environmental conservation and heritage protection on the one hand, there is still room for private investment to earn returns on the other. This approach can ensure sustainable development in conservation and protection work. In fact, the business sector has quick wits, so more often than not they can inject new elements into conservation and protection work. For instance, monuments will be turned into boutique hotels, exhibition halls and leisure facilities will be incorporated into the natural environment, and so on. In comparison with overseas countries, Hong Kong is only at the beginning stage in environmental conservation and heritage protection, hence our experience is limited. For this reason, I hope the Government will pay heed to opinions expressed by various parties, including conservation groups, environmental protection groups and the business sector, and learn from overseas experiences. I believe Hong Kong will eventually be able to develop a policy on environmental conservation and heritage protection with local characteristics.

Madam President, I so submit.

**MR CHAN KAM-LAM** (in Cantonese): President, on behalf of the Democratic Alliance for the Betterment and Progress of Hong Kong (DAB), I would like to talk about the issue relating to the two power companies. According to the Secretary for Environment's report to this Council the other day, negotiations

between the Government and the two power companies concerning the post-2008 Scheme of Control Agreements (SCAs) are still underway. The DAB hopes that from now on to the end of this year, the Government will grasp the remaining time to enhance communication with the two power companies, with a view to entering into new SCAs as early as possible and ensuring that Hong Kong's power supply will remain stable after 2008. Furthermore, as inflation has returned to Hong Kong and price increases are brewing, we hope that the Government will actively pursue a reduction in the average rate of return to below 10% in negotiating with the two power companies, so as to alleviate the burden of the people in living. It is also hoped that the Government will stick to the stringent emission caps so as to achieve improvement in Hong Kong's air quality.

Regarding the heated topic of enacting legislation lately, it seems that the views of this Council are polarized. While some rendered their strong support to the Secretary, some expressed strong dissatisfaction with him. Yet, we consider that it is downright not necessary for the two sides to enlarge the issue, nor go to the extremes. This will otherwise give people a wrong impression that one side strongly supports the Secretary in opposition to the consortium, whereas the other opposes the Secretary in support of the consortium. If this is the case, people will come to think that the Legislative Council is under the influence of emotive outbursts, while the Government is likewise dealing with thorny problems in an irrational manner. After all, it has been the wish of the DAB that the Government can enter into agreements with the two power companies through negotiations, thereby obviating the need to come to legislation. So, we call on the Government and the two power companies to foster mutual understanding and make mutual accommodation at the negotiating table for the sake of public interest, with a view to creating an all-win situation.

Thank you, President.

**MR TOMMY CHEUNG** (in Cantonese): Madam President, I am happy to see that the policy address of this year has given a lengthy response to Hong Kong people's aspirations in respect of food safety. In fact, the majority of the proposals have been discussed for some time, but the following arguments have yet to be settled.

Hong Kong really needs to enact a comprehensive Food Safety Ordinance to reduce ambiguity and facilitate supervision. However, establishing a



registration scheme for food importers and distributors and requiring the trade to maintain transaction records of imported food can only enhance our ability to trace food incidents, but cannot prevent such incidents from happening.

In fact, there is very little the trade can do in taking preventive and surveillance actions, so the legal responsibilities that might arise should not be borne by the trade alone, particularly when it comes to imported food. Given the complicated mode of operation throughout the food supply chain, even if health certificates and labelling certificates were produced by the suppliers, it would still be very difficult for members of the trade to guarantee that the supplies 100% come from standards-compliant sources. Furthermore, given the ever-changing problems of viruses, pesticides, chemical residues and carcinogenic substances, and that the testing of food takes time, it would not be possible for the trade to prevent the occurrence of all these problems.

Another problem is that food prices will definitely rise as a result of compliance with the new statutory requirements, and unruly elements will probably make use of this opportunity to smuggle a large amount of food into Hong Kong for profiteering. However, 95% of food for Hong Kong is imported, for example, freshwater fish, sea fish, live chicken, live pigs, live cows, non-staple foods, chilled chickens, geese and ducks, and the list still goes on. So, does the Administration have sufficient manpower to carry out the necessary inspection and enforcement work when the relevant law comes into effect? Frankly speaking, I am not so optimistic judging from the rampant smuggling of live chickens currently. It is feared that it would be those law-abiding importers who will suffer in the end.

The major concern of the trade is that the new Food Safety Ordinance will empower the Administration to recall food in the event of a food incident. Just as I said earlier on, it is always the trade who suffers in the event of a food incident. Therefore, the legislation on food recall must come with its sound compensation measures for the affected trade, such as the establishment of a compensation fund, the provision of rental remission or waiver and interest-free loans. This will not only provide cash flow to the innocent trade to save them from losing everything just due to an individual incident, but will also enable them to continue paying salaries to their employees so that they will not lose their jobs all of a sudden, with a view to promoting social stability.

For the nutrient labelling scheme, we can only learn from media reports that the Administration plans to change the requirement of food labels from

originally covering the labelling of energy plus nine nutrients to energy plus six nutrients. Honestly speaking, I am gravely disappointed that the Food and Health Bureau did not take any initiative to approach Honourable Members (especially the representatives of the trade) to explain its policy this time, but has instead flown balloons in the media. I wonder if the Administration is genuinely sincere in consulting the trade to seek an agreed solution to the problem. Or, is it merely listening without taking any actions, or simply shutting its ears and insisting on its way?

I think that, all these years, I have been considered by Secretary Dr CHOW as a trade representative who "opposes whatever regulation proposed" because I had opposed all the legislation that was proposed by him to regulate the trade. We are therefore poles apart, and it would be useless to say anything. He simply refused to communicate with the trade. Madam President, I do hope that this is only my wrong impression. If I really get it wrongly, I hope that actions will be taken by Secretary Dr CHOW to show me that he will have more sincere exchanges with the trade and enhance the communication, so as to ensure that the public, the trade and the Government will work faithfully together. The trade may not necessarily oppose regulation, but they just worry that there will not be adequate complementary facilities such that a detrimental blow will be dealt to them.

Like the labelling scheme of food additives formally implemented in July this year, it was because the Administration had not considered the actual time required for clearing the stock of old labels that the trade was left with massive stockpile after the grace period had expired, thereby causing immense losses and sufferings to the trade. Will the Administration still not give the least consideration to the situation of the trade when the nutrition labelling scheme is introduced this time?

I hope that detailed assessments will be conducted no matter such options as "1+9", "1+6" or any other combination is proposed, so as to gain an understanding of its concrete effect on the choice of food upon introduction. Since Hong Kong is not a big market, overseas food manufacturers might rather give it up than adjust themselves to our requirements. Therefore, it would be most appropriate to formulate a new nutrition labelling scheme that suits the actual situation of the Mainland, the European Union, the United States, Australia and New Zealand, and the best way is to make reference to the requirements laid down by the Codex Alimentarius Commission for the trade may find them easier to adapt to.

In fact, the nutrition labelling scheme also has many other problems, for example, whether or not exemptions will be granted to manufacturers of small pre-packaged food and small-scale manufacturers. The trade hopes that the Government will give a clear account on this.

What is more worrying to me is that the proposed implementation of the Food Safety Ordinance, food safety standards and nutrition labelling scheme will have an extensive effect on food importers, wholesalers, manufacturers and retailers. Furthermore, the enforcement of the scheme will give rise to many complicated problems. If the above policies are put into one basket and introduced at one time, it will be unbearable to the trade. What is more, do we have ample time to examine and scrutinize all the legislative proposals when the majority of them have to be tabled at this Council between the end of this year and early next year? Has the Administration reserved sufficient time for consulting the trade so as to enable them to examine the details therein and assess the implications?

I always stress that, like the amendments to the anti-smoking law, for often times the devil is in the details. A careless move taken will upset the balance and result in overkill, thereby stifling the room of survival of the trade. Furthermore, there is no turning back after the relevant law is enacted as it will have far-reaching implications. Therefore, I hope that the Administration will bear in mind that, firstly, extensive consultation must be carried out before the introduction of the relevant policies, and the trade is always ready to exchange views with the Administration. Even if it has insurmountable difficulties, it can take the initiative to seek the views of the trade for it would be very happy to help. Since the trade is in the front line, it is well versed in many issues and can help the Administration to tackle the problems at source, with a view to striking a balance among legislative regulation, the business environment, people's affordability, health safeguards and the right to know. Secondly, in order to avoid causing more losses than gains, it should first assess the increase in operating costs and the resultant increase in prices, and whether or not inflation will be fuelled and whether it would lead to a drastic cut in the choice of food. Thirdly, the scheme should not be implemented too hastily and the trade must be provided with a reasonable and sufficient buffer. Also, the Administration must ensure that sufficient complementary measures will be put in place to minimize the impact on the trade.

Furthermore, Madam President, regarding the Administration's plan to introduce a bill on a central poultry slaughtering plant to this Council by the end

of this year, I must reiterate that I hope the Administration would think twice for the sake of the livelihood of the tens of thousands of workers in the live poultry industry and their families. We have already accumulated a lot of experience since the first case of human infection of the H5N1 virus in Hong Kong was identified. At present, from the importation of live chickens or the transportation of live chickens from local farms to the wholesale and retail markets, measures of a high degree of vigilance and segregating live poultry from customers have been adopted with the co-operation of the entire chain of the industry. They have worked well all along and we have therefore achieved a good record of zero infection in local farms and markets. Therefore, it can be seen that the risk of having an outbreak of avian flu in Hong Kong is already not high. As it is better to have fewer troubles, why does the Administration not allow the live poultry industry to develop in a sustainable manner? This will also help promote the economy of Hong Kong and strengthen our status as a food paradise.

The Administration should not underestimate the impact of the relevant legislation on the live poultry industry as it will affect tens of thousands of workers engaging in the rearing, transportation and slaughtering of live chickens. It is downright impossible for a central slaughtering plant to fully absorb them. The slaughtering procedure on which they have depended for a living will also be done in the central slaughtering plant in future. If frozen meat shops or supermarkets are also allowed to sell poultry meat, the live poultry stalls in the markets will definitely lose their market value and be replaced entirely. Since the workers concerned are advanced in age and of low skill, how can they make a living in the days to come?

If the Administration insists on establishing a central slaughtering plant, please do not forget the motion that I moved, which was endorsed by this Council on 29 November last year on "Relief measures and compensation policies for the live poultry trades". The first half of it reads, "That, as the Government is determined to implement central slaughtering of live poultry, which will permanently damage the live poultry trades, this Council urges the Government to expeditiously discuss with the trades to formulate a scheme that enables exit from the trades with reasonable compensation, having regard to the circumstances of live poultry farmers, wholesalers, retailers, transporters and workers."

The second half of it reads, "prior to the implementation of central slaughtering of live poultry, if there is a need to suspend the import of live poultry and birds from the Mainland in the event of an outbreak of avian

influenza there, in order to prevent the trades from being severely hit, this Council urges the Government to introduce the following relief measures:

- (a) setting up an emergency relief fund to provide assistance or low interest loans to the trades, so as to tide them over the difficult times;
- (b) granting a rent waiver to tenants of the Government's wholesale and retail markets; and
- (c) providing emergency financial assistance to workers who are not employed on a long-term basis."

I would like to ask the Administration, especially the Secretary, to expeditiously give an account to this Council and the trade, and not to respond selectively to motions that were moved in this Council. So long as they consider a motion useful, they will say that the relevant motion, which has been endorsed by the Legislative Council, must be complied with. However, if the motion endorsed by Members is not considered useful, it will simply be neglected.

Another issue which I would like to mention in passing is the complicated food business licensing system. Although the Administration has proceeded with the review of different licences and studied the streamlining of the relevant application procedures a few years ago, a number of issues are still subject to international criticisms. It is hoped that the Administration will not slow down but work harder to further streamline the process.

Take liquor licence as an example. The Efficiency Unit under the Chief Secretary for Administration conducted a review of the licensing regime as early as August 2006, and a report was completed in May this year. There are a number of constructive proposals for improvements and legislative amendments, which have been submitted to the relevant departments for consideration. I urge the Administration to act without delay and expeditiously proceed with the study and planning of the implementation of the relevant proposals, the legislative amendment proposals in particular, in order to bring some good news to the industry.

Madam President, I also wish to talk about alfresco cafes. I urge that the Government should actively promote the development of alfresco cafes. Ever

since the indoor smoking ban has come into effect, many food premises in the New Territories have applied to add alfresco cafes in the hope of attracting the patronage of smokers. However, their applications with the Lands Department for short-term leases were often obstructed. I urge the Administration to actively study how to improve and relax the applications for short-term leases, with a view to giving the industry more room for operation and reducing the impact of the smoking ban on them.

I hope the Administration will understand that the catering industry is an important local industry. A boom in Macao's catering industry has boosted both the local employment rate and local wages. This is indeed a very good example.

In order to make Hong Kong a quality city and enable Hong Kong people to enjoy quality living, all government departments should work hand in hand and move towards our goal in the light of the actual situation by taking on a macro and all-round outlook. If the quality is only in terms of health and safety without consideration of the damage on the business environment, this will not only stifle the industry's room for survival, but also smash the workers' "rice bowls" and limit the public's choice of food.

Madam President, I so submit.

**MR SIN CHUNG-KAI** (in Cantonese): Madam President, I would like to first respond to the environmental policies as set out in the policy address, especially issues relating to the regulation of the power companies, and the improvement of regional air pollution and curbside air pollution.

The operating agreements of the two power companies are due to expire in September and December next year respectively. The Secretary for the Environment advised the other day that should the Government fail to enter into agreements with the two power companies by the end of this year, the supply of electricity would be regulated by legislation. The Democratic Party supports the enactment of legislation by the Government as a last resort, and it is hoped that it would expedite the negotiations between the Government and the two power companies, especially on the imposition of emission caps. We also hope that if the Government eventually decides to enact legislation, discussions will be carried out in the earliest possibility so as to avoid hasty enactment of legislation.

Just as other colleagues of the Democratic Party pointed out in their speeches, we have requested the Government to stand firm on such principles as lowering the rates of permitted return on all fixed assets of the two power companies to single digit — this was what former Secretary Stephen IP had promised to achieve time and again, and I hope that this will remain unchanged in spite of the change in staff — and linking the emission cap with the rate of return. We also hope that the Government will expeditiously open the power market to allow the entry of competitors, so that the public will benefit from competition.

We also support the Government's proposed legislation to impose emission caps on the two power companies. We foresee that the two power companies do not have a very high chance of achieving the emission performance as agreed with the Government by 2010, particularly in respect of sulphur dioxide. Therefore, the enactment of legislation may help force the two power companies to adopt more proactive reduction measures, including the use of more ultra-low sulphur coal for power generation and retrofitting the power generation units with desulphurization facilities.

Regarding the use of natural gas, the Democratic Party opines that the Government should expeditiously advise if the CLP Power Hong Kong Limited (CLP) is allowed to construct a liquefied natural gas reception terminal. If the CLP fails to provide sufficient justifications on why alternative sources of natural gas cannot be used, we will oppose the hasty endorsement of the CLP's construction proposal. This will prevent the CLP from increasing electricity tariffs on the pretext of the construction of a natural gas terminal, or even making a profit by selling natural gas to other organizations.

In the policy address, the Government proposed to provide \$930 million for the Hong Kong Productivity Council to launch a five-year programme which aims at promoting Hong Kong-owned factories within the Pearl River Delta (PRD) Region to adopt clean production technologies and processes, with a view to reducing emissions and enhancing energy efficiency. The Democratic Party is supportive of the proposal because this programme bears much resemblance to the matching fund proposed by us two years ago. We hope that the Government will expand the scope of this programme and increase the amount of funding.

Relevant policies have also been implemented in Guangdong Province at present, whereby a reward of \$700,000 will be given to enterprises achieving

cleaner production and tax concessions will be provided to enterprises with zero emission, and so on. This demonstrates that the Mainland also acknowledges the provision of financial assistance to enterprises can help ameliorate the air pollution problem in the PRD region.

When the Government opposed our proposed matching fund in the past, it often attributed this to the fund's failure to uphold the "user pays" principle. I must point out that the Democratic Party absolutely supports the "polluter pays" principle, but it is just that government policies have already been put in place to subsidize owners of commercial diesel vehicles to replace their vehicles with new ones. We think that if the same amount of resource can be deployed to subsidize emission reduction in the Mainland, the resultant benefits would be more than merely spending it on improving local air pollution.

Regarding the amelioration of emission problems at the ground level, the Democratic Party strongly supports the Government's expeditious implementation of the legislative work concerning "turning off idling engines". We also suggest the development and extension of footbridge networks in areas with heavy traffic, which is the so-called "city of sky walkways" as proposed by the Democratic Party, because it will enable the public to walk from Sheung Wan to Causeway Bay. In fact, the majority of the connecting work has been completed by the private sector. It would therefore be better if more can be done by the Government. Furthermore, we also suggest the Government to consider extending the same arrangement to Yau Tsim Mong. On completion of the footbridge network, not only the pedestrians will be encouraged to walk, the time interval during which vehicles running under the footbridge have to stop before traffic lights will also be shortened. In other words, the signal time allowed for vehicles to run will become longer, while that for pedestrians to cross the road will become shorter. This will not only increase the flow of vehicles, but also reduce emissions from vehicles waiting for the traffic signal.

We put forward the proposal on "city of sky walkways" as early as 2002. This proposal does not only link up the footbridges in Western District and Causeway Bay, it also improves the pedestrians' environment by providing more greening and superstructure facilities, as well as linking up major transportation nodes and commercial facilities, with a view to attracting more pedestrians and tourists. At the same time, themed attractions can also be introduced to this footbridge network, for example, the development of heritage galleries, shopping galleries, garden cafes and cultural piazzas. It is not just an



interesting and important landmark construction, but it may also enhance the international image of Hong Kong.

An initial assessment of the cost to be incurred in improving the existing footbridge network in the northern part of Hong Kong Island has been conducted, and it is estimated that the works in question would cost about \$1.6 billion. Upon completion of the necessary works, the daily pedestrian flow may reach as high as 300 000. We therefore urge the Government to study the relevant proposal, and of course, apart from the northern part of Hong Kong Island, we also suggest the Government to consider providing similar footbridge networks in Yau Tsim Mong.

Environmental protection will continue to be an important topic in the years to come, and the Government will proceed with the legislative procedures of a number of important environmental bills in this Legislative Session, which concern the producer responsibility scheme, turning off idling engines, the formulation of a mandatory energy label, the possibility of setting emission caps for the power plants, and so on. We hope that the Government will expeditiously kick off a public consultation so that this Council will not have to enact the legislation hastily towards the end of this Legislative Session, or even shelve them. To put it simply, there is only one year left and it will soon come to an end. In fact, there are only nine months left, which is less than one year. As such, there will be ample time for examination only if the relevant bills are tabled at this Council in the earliest time possible.

I wish to discuss the creative industries in the following part.

In view of our limited natural resources, it is most suitable to develop such high-value added industries as the creative industries in Hong Kong. Unfortunately, while the major initiatives in the policy address are mainly culture-related, there is no mention of other members of the creative industries, which include the software and digital content industries.

Nowadays, as all pillar industries are closely related to information technology, the demand of enterprises for software is therefore gradually increasing. Furthermore, in view of our good information technology services, we are absolutely endowed with the conditions for undertaking more contracts from overseas and mainland markets for information technology projects, which may help promote Hong Kong's economic development. What the Government

has to do is to enhance its overseas publicity work to promote our edges, with a view to bringing local enterprises out of Hong Kong.

Another important issue relating to the software industry is open source software. This kind of software can be used as a substitute for patent software, which may effectively lower the costs of enterprises. It is therefore a potential market open to development. The establishment of the Hong Kong Open Source Software Centre with government funding is a pretty good start. However, when compared with the policies implemented by the governments of other regions and even the Mainland to promote open source software, the local industry considers it necessary for the Government to formulate development strategies of a longer term, such that open source software may go beyond the knowledge-sharing stage and develop a new mode of business operation.

In this connection, government efforts can be stepped up in formulating a policy on open source software on its own initiative; assisting in the gathering of a group of open source software developers and providing them with free legal advice, as well as helping them to resolve copyright problems.

Insofar as digital content is concerned, the policy address has mentioned film and television productions, but they are insufficient for promoting the digital content industry. The special computer effects used in films are only one element of the digital content industry, and others include online games, computer games, digitized infotainment and information access through a mobile network platforms. It has been the wish of the trade that the Government should treat digital content as a unique industry, instead of a subsidiary of the film industry. While I surely agree that they are complementary, I do hope that the digital content industry will become an independent industry because only through this can the need of the industry be satisfied.

In order to develop Hong Kong into a hub of digital content, thereby attracting mainland and overseas digital content enterprises to establish their development centres and distribution outlets of digital assets here in Hong Kong, the industry considers it most important to gain government recognition of the entire industry. Now, the Western Kowloon Cultural District (WKCD) project offers an opportunity for the digitization of exhibits to be kept in the cultural and artistic exhibition halls and museums in the future WKCD. Actually, something can be done by the Government. In fact, many museums — which the Government may still not notice — including some famous ones and some in

Japan as well, have already digitized their exhibits. It would be best if one can visit a museum in person to take a look at, for instance, the painting "Along the river during the Qingming Festival", but the painting can actually be viewed via the Internet. Yet, the Government has neither considered such an option nor put it in place. The advanced location-based digital concierge service for WKCD visitors is another proposal that should be considered by the Government in developing the WKCD. To put it simply, the construction of hardware alone is not enough, and this explains why the digital content industry has the room for development. The question is whether or not complementary government policies will be formulated to give the industry sufficient room and potentials for the development.

Simply put, the Democratic Party supports the development of the creative industries. However, should the Government stress too much culture-related issues to the neglect of the digital content and software industries which have competitive edges, the development of Hong Kong's creative industries will not be comprehensive and it will be difficult to bring our own edges into true play.

Madam President, I so submit in this session.

**MR VINCENT FANG** (in Cantonese): President, today I will speak on the three areas of food safety, environmental protection and the conservation of bazaars. The theme for this session is "Quality City and Quality Life". But this is to me most ironical. Figures released on Monday by the Census and Statistics Department show that the overall inflation rate for the month of September minus the concession in rates is 2.7% and this is the highest inflation rate in recent years. But the situation is even more serious than that. Food prices rose by 6% compared with the same period last year and it is the greatest surge in 11 years. One simply gets stunned on looking closely at the relevant figures. Prices of chicken rose by 30% compared with last year, pork prices by 30%, poultry prices by some 20% and prices for fresh vegetables by more than 10%.

What are these? They are all non-luxury items and they are the food that people consume every day. Why have prices risen so sharply? A press release from the Government points out that part of the reason is due to the seasonal upward adjustment of the prices of poultry and fresh fruits around the time of the Mid-Autumn Festival. Is this really the case? I think the

President, the Secretaries of Departments and the Directors of Bureau in attendance all know why and of course this is not the case at all.

First, about eggs. After the incident of eggs containing the dye sultan red had appeared at the end of last year, starting from this year, Hong Kong began to require poultry eggs from mainland suppliers to come from registered farms. After the new law had come into force, there was an instant surge in egg prices by 30%.

With respect to vegetables, starting from April this year, the Mainland imposed the requirement that all vegetables supplied to Hong Kong must come from registered vegetable farms and processing plants. This pushed prices up instantly. For those "hard" vegetables like potatoes, new administrative measures will be imposed in October and by that time, the prices of this kind of vegetables will surely go up.

I do not think I need to say much about live poultry. The number of poultry raised in Hong Kong farms has been reduced by more than a half. However, the number of live chickens from the Mainland is still kept at 20 000 chickens daily. This is hardly sufficient to meet the local demand. It is common to see the price of live chickens as high as \$80 to \$100 per chicken. And this is practically beyond the affordability of the grassroots who are the focus of our attention. The Chief Executive and the Director of Bureau may advise the people to eat chilled chickens, but can we call this quality life at all?

How can the thousands of people working in the poultry trade survive just with this supply of some 20 000 live chickens a day? Live chickens from the Mainland fetch a price at least \$40 to \$50 less than their local counterparts. With such a big price differential, some people are attracted to taking the risk of smuggling live chickens. It has been reported that a truckload of smuggled chickens could bring in some \$20,000 of profits. Therefore, people think that it would be worth it if they risk contravening the law than to be driven out of business and dried up by the Government.

Hence, I hope the Government can, before deciding to implement centralized slaughtering, resume the number of live chickens supplied to Hong Kong at 30 000 a day. This will enable the trade to stay in business for a couple of years more and reduce the risk of smuggling chickens, ease the inflation pressure and let the grassroots consume delicious live chicken for two more years.

There has not been a single incident of local avian flu during the past six years. This is due to the careful preventive work done by the Government and co-operation from the trade. With respect to centralized slaughtering, it is hoped that apart from revenue considerations, the Government should rethink the idea. This is because a decision by the Government will affect some 800 operators of small and medium enterprises in the trade plus the living of close to 10 000 workers there.

On 1 November, the Mainland will require all fruits for export to come from registered orchards and packaging plants. I am sure that fruit prices are bound to soar next month. I hope the Census and Statistics Department can compile statistics on fruit prices in particular.

The Chief Executive points out in the policy address that in the coming year, initiatives will be taken to legislate on food matters. Examples are the introduction of a Food Safety Bill to provide for a comprehensive registration scheme for food importers and distributors, formulation of food safety standards for Hong Kong, impose the mandatory requirement that nutrition labels should be affixed onto pre-packaged food.

All these policies on food administration introduced by the Government are undoubtedly meant to ensure food safety and make people consume food with peace of mind. So the trade has never opposed enacting the relevant laws. This is because should any negative reports appear, it is the trade that is the first to suffer. For example, if it is said that live chickens, live fish or strawberries are not fit for consumption, then people may eat chilled chickens, chilled fish and apples. But the stock of supplies already purchased by the trade will certainly have to be written off. Would the people then consume food with peace of mind? Not necessarily so. But I am sure a lot of people who will eat with an aching heart, because costs of meals will rise a lot. Up to now the Government has not devised any effective measures to curb the smuggling of food into Hong Kong. In addition, many trucks carrying fresh produce pass through the Man Kam To checkpoint every day and it is not known whether or not the goods in these trucks come from any of these registered farms. Therefore, should problems unfortunately arise, those law-abiding businessmen will stand to suffer because of what the dishonest people are doing.

Moreover, the Government is making frequent attempts to legislate on food and this is causing a lot of strain in the industry. An example is that after

discussions were held for two years on legislating on the labelling of allergens, a law was enacted in 2004. Soon afterwards, discussions started on nutrition labelling. Also, when legislation is to be enacted in Hong Kong, an attempt is often made to surpass the relevant legislation in advanced countries like Britain and the United States and the system to be used in Hong Kong would have to be somewhat different from those used in our main food suppliers like Europe, North America and the Mainland.

After the allergen labelling scheme has come into force, the industry points out that some large supermarket chains have taken 4 000 food items off its shelves because they want to avoid the risk. According to the latest standards on nutrition labelling released by the Government, only food from Australia and New Zealand can be imported directly. Nutrition labels for food from all other countries will have to be reworked. Even for labels with nutrition information more than what is required by Hong Kong will need to have new labels affixed onto the original ones. If importers want to introduce a new product into the Hong Kong market to test market receptivity, they will have to rework the labels. Even though Hong Kong is part of a huge country of 1.3 billion people, there are two sets of standards for Hong Kong and the Mainland. Would this mean that other people will have to make a set of labels especially for Hong Kong or would this mean that they should not export food to Hong Kong?

Food and health are a global trend. But if the Government really wants the people to eat healthily, it should first educate the public at least on how to read nutrition labels. Then it should encourage suppliers to provide more nutritional facts for the consumers to choose. More importantly, work should be done to prevent food prices from rising sharply. If the Government legislates on the above items at the same time next year, in the short run, it is certain that food business operators will be placed under great pressure. And it is certain that the industry will have to transfer part of the increase in costs to consumers. If that happens, a great number of food products will pull out of the Hong Kong market. Choices left for the local people will be reduced tremendously. The result is that there will be a steep rise in prices of imported food products which the people have been eating all along and inflation is bound to worsen.

This is by no means a threat. The Government may conduct a market survey to see how many food products have disappeared from the market after the allergen labelling law has come into force. Or it may compile statistics on

the prices of relevant food products after each one of these new food administration measures has been implemented. Then the truth of the matter can be revealed.

Some Honourable colleagues say that the Government is being unjust to the people when so much delay has been caused and the Government refuses to legislate on certain kinds of food. I wish to respond to this view by saying that if the Government does not make sufficient consideration and if it does not assess the capacity of the industry and the impact on inflation and then introduces many pieces of new legislation all at one time because it has secured the number of votes in the Legislative Council required for the passage of these bills, then the ones who will suffer are really the public, especially the grassroots.

When new measures and policies are launched by the Government, often times they are laced with some grandiose grounds that they are for the sake of the people's health. It is also said that the measures and policies are meant to create wonderful living conditions for the people, enable Hong Kong to become a cosmopolitan city, thus attracting overseas talents to settle here and make contribution to the Hong Kong economy, and so on. But these should not just be confined to talks, when these foreign experts come to Hong Kong and if they fail to get even some of their native delicacies here in Hong Kong, how are we to attract them? How are we to call ourselves a gourmet paradise or a cosmopolitan city?

After from those measures in food, the Government has also devised many measures which will spur inflation, affect people's life and even undermine our position as a cosmopolitan city. One of such measures is the product eco-responsibility scheme which the Government is taking active steps to promote. The first step is to introduce a levy on plastic bags.

Many people tell the media that I am against this duty on plastic bags. This is true. Both my sector and I oppose the Government using the method of imposing a ban by levying a tax to promote environmental protection. We oppose the Government's plan to put the revenue collected from the plastic bag levy into government coffers instead of using it to promote recycling work. We oppose the Government's taking up of a position to shirk its responsibility for promoting green efforts. Instead the responsibility is passed onto the consumers and the operators in the industry. Both I and everyone in the sector, be they big conglomerates or hawkers, support environmental protection. We

all hope that the limited resources can be put to infinite purposes. What we hope is that the Government will take the lead and will not do anything to add to the burden of the people.

We must make it clear that the plastic bag levy of 50 cents for each plastic bag is to be paid by the consumer. It will not do even if the chain shops want to pay the duty for the consumers. After this levy on plastic bags is launched, under the product eco-responsibility scheme, a green tax will be collected on drink containers, electronics devices, electrical appliances, packaging materials, tyres and so on. Although the green tax may be collected through other means such as charging a deposit, it is the consumer or the producer who will pay. Today, I can use an environmentally-friendly bag instead of a plastic bag, but drink containers cannot be replaced. Should we, say, when holding a taichi demonstration featuring 10 000 people, ask everyone to bring their bottle along and line up for water? Or does it mean that carton box is not provided when you buy eggs and so people have to bring a basket to hold the eggs?

Actually, this is the fourth year in a debate on the policy address that I speak on behalf of the wholesale and retail sector on green proposals. We understand that with progress made in society, we cannot go back to the old days when we wrapped things with newspaper or tied things with a reed. But banning the use of something is passive. A more active way is to resort to re-use and recycling. I have said many times that what are called rubbish actually worth a lot of money.

Manufacturers of plastic bags say that the raw materials for making plastic bags cost \$12 a kilo and the price is increasing all the time. The raw materials that are recovered are worth \$10 a kilo for transparent materials and \$4 to \$5 for those with colour. So if we can educate the public that they should only discard plastic bags after using them a few times more, then the goal of "reduce" among the 3"R"s of environmental protection can be met. If the Government can provide the incentive so that the recycling industry can grow in Hong Kong, then the garbage will worth a lot. The Government can even give assistance to factory operators in collecting garbage. An example is that the existing refuse collection points or the space under a flyover can be put to such use, or subsidies can be given to the transport of waste materials, and so on. If the first R is done, the other two Rs, that is, recall and recycle, will be easy to achieve. In this way, waste materials can truly be reduced and a new industry can be fostered, hence a great amount of value-added and basic employment



opportunities can be created. The lifespan of the landfills can be extended, too. These will give the Government an open and advanced image.

The Chief Executive says in the policy address that the environmental levy on plastic shopping bags will be introduced. President, both my sector and I will go on promoting a territory-wide voluntary green campaign in the hope that green consciousness in the people can be raised for the benefit of generations to come. My sincere hope is that the Government will not be so short-sighted as to focus its attention on the hundred millions of plastic bags that can be reduced in the first year the levy is introduced. Instead, it should take the lead to promote the 3R environmental protection chain of reduction, recovery and recycling.

Every time the Government will use its "active non-intervention" policy to promote work in this aspect as it has been using all along. I therefore welcome the move taken by the Chief Executive this time around to allocate a funding of some \$93 million to the Hong Kong Productivity Council to help Hong Kong manufacturers in the Pearl River Delta Region carry out clean production. Why is this initiative not expanded to include support for the local green industry?

My speech has touched on many areas of concern because this shows the wide scope which the wholesale and retail sector covers. So I hope before any legislative effort is made, the Government should consult the sector concerned fully, assess whether it is within the sector's capacity to bear the impact produced by so many legislative attempts at the same time and to study if any negative impact would be caused to the prices of commodities on sale in the market, on inflation, and so on. I also hope that before any legislation is introduced, there should at first be inter-departmental dialogue to see if any particular trade would be affected by so many pieces of legislation being implemented at the same time. If so, efforts must be made to minimize the impact on the trade concerned, because the business environment in Hong Kong is getting more and more difficult. Yesterday the Government announced its plan to build the Island West extension of the MTR, and many small commercial tenants in the district are very worried that they may not be able to continue with their business when rents will soar in future.

The Western District is a famous wholesale and retail centre for dried seafood. The trade has mixed feelings about the building of an MTR extension.

On the one hand, the promise of improvement in transport is welcomed but on the other, there are worries that this commercial area of such unique flavour would be gone forever. After all, the area is a commercial area with special character and in any international city, the government there should try its best to preserve commercial areas or markets that have a distinctive character so that these places can add to the uniqueness of the city.

I thank the Chief Executive for finally deciding to preserve the open-air bazaars in Wan Chai and Graham Street and other places. But what I would hope is that these places should be preserved in their entirety, not just partially. But with respect to "sports shoes street" and "dried seafood street" which will come under the same threat, I hope the Government can devise some conservation plan which can address both kinds of needs and concern. When urban planning is to take place in future, I hope that the basic premise will be placed on retaining commercial districts and bazaars with special characteristics so that apart from retaining the local colours, the small businesses can have room to survive. This would enable the economy to thrive and the people can live and work happily and enjoy the fruit of Hong Kong's success. For if not, if the Government is indulging in fantasies of building a quality city which is detached from reality, one just wonders what kind of people would be living in it after all.

Thank you, President. I so submit.

**MR ALAN LEONG** (in Cantonese): President, the Seventeenth National Congress of the Communist Party of China (CCP) has just concluded, and on Monday, I heard President HU Jintao's blueprint for governing the country in his coming five-year term. Over a short span of just two weeks, I have heard two similar blueprints, so it is frankly very hard for me to resist the temptation of comparing them, whether in terms of their loftiness, depth and ability to address current problems.

We can observe that under the arrangement devised by the State President, in the new term, 107 of the 204 members of the Communist Party Central Committee will be new members, representing more than half of the total membership. Many overseas media have described this as rare in the history of the CCP. The Seventeenth National Congress also passed amendments to the Constitution of the CCP, introducing a tenure system for party representatives, an inspection system for party organizations at various levels and the

requirement that members of Party committees at various levels must report to their respective Party committees, with a view to strengthening monitoring and furthering democracy inside the Party.

President, all these measures are introduced in response to the needs of the country and the Party, the various current problems and the wealth gap. And, policies are also formulated to support the implementation, practice and promotion of these initiatives.

In contrast, can the Chief Executive's policy address tackle the various current problems, given all its emphasis on "a new direction for Hong Kong"? President, I am of the view that what Hong Kong must do now is to establish a just and caring society through the implementation of a fair and democratic electoral system. This is the new direction desired by all of us. Maybe, a just and caring society is too abstract, so I should really talk about fairness and striking a balance, which are not so elusive. If our society is a fairer and more balanced one, we will not put up with the continued occurrence of vehicle accidents involving the death of elderly scavengers of cardboard, nor will we put up with the continued sadness in a new town resulting from erroneous government planning. By justice, we mean a situation as pleasant as cool breezes and a bright moon, something that all can enjoy regardless of wealth, not the trickling-down of wealth talked about by the Chief Executive. A simple look at the 10 major infrastructure projects proposed by the Chief Executive can already illustrate my point. The reason is that a sound economic policy should not aim only to boost the Gross Domestic Product. Rather, it should make it possible for everyone to improve their lot and raise their standards of living. For the sake of justice and care for the disadvantaged, we must offer prompt assistance to those grass-roots people who are too poor to buy any stocks and battered by inflation.

From such a perspective, one can say that the Government is unable to address the current problems. One of the best examples is the remarks made by Secretary Stephen LAM in this Council yesterday. According to him, if I were elected the Chief Executive, I certainly would not appoint Dr Philip WONG. I do not know whether Dr WONG will be offended by such a remark. He neither voiced any objection nor requested the President to make a ruling. But this can aptly show that both the Government and the Chief Executive are unable to identify our current ills because at most just half of the talents in Hong Kong are

being put to any good uses. If he really believes that democracy is desirable and universal suffrage can lead to a fair society, I must say that he is deliberately trying not to put our talents to good uses.

President, what I can observe from the policy address are expressions meant solely to please the leaders in Beijing, or some instant benefits for those with vested interests. As for people concerned about the sustainable development of society, what they can get at the present stage is nothing but empty undertakings with no concrete action plans. With regard to the grass-roots people constituting 15% of Hong Kong's population, they are just given some "distant sources of water" which no one really knows whether they can quench the "nearby fire".

President, slightly luckier than grass-roots people are historic buildings with conservation value. The policy of heritage conservation is given very substantial treatment in the policy address, and not only this, the new SAR Government has also made quite a drastic move in this regard in its reorganization of the policy bureaux. To begin with, the SAR Government has established the Development Bureau and it has taken over the work of heritage conservation from the Home Affairs Bureau. I can well understand such a move because the work is actually related to development. Following this move, the Chief Executive undertakes in the policy address that in the coming five years, no efforts will be spared to promote heritage conservation.

In the policy address, seven whole paragraphs are devoted to heritage conservation. Many of the terms and expressions commonly used in civil society and many of the messages too are found in all these paragraphs, such as (and I quote) "cultural life is a key component of a quality city life", "Hong Kong people have expressed our passion for our culture and lifestyle", "the conservation of historic sites will be given due consideration in the project planning stage", "revitalizing historic buildings" and "transformed creatively". He even puts forward some specific projects such as those related to the Central Police Station Compound, the original site of the Central School and the open-air bazaar in Wan Chai.

We naturally hope that the Government can avail itself to the people's wisdom. To say the very least, the Government is now willing to use the terminology of people's organizations. This can show that the Government and the people have at least started to forge a consensus. However, the various moves of the Government are not really able to answer people's aspirations and

converge with the international standards regarding heritage conservation. President, if the Government really thinks that the measures proposed in the policy address are already good enough, I must say that the so-called new policy direction for heritage conservation is nothing but the same old stuff wrapped up in new packings. I certainly hope this is not the truth, only that I have to sound a warning here.

President, a number of initiatives are indeed put forward in the policy address. Some examples are the conduct of heritage impact assessment for public works projects involving historic and built heritage, the designation of six to eight buildings as trial cases for the adaptive reuse of historic buildings, studies on conservation of privately-owned heritage and the establishment of a new government organ known as the Commissioner for Heritage Office. However, we are afraid that when all these measures are introduced on top of the established system of town planning and development, they simply will not bring about any substantial changes. This is our worry. As a matter of fact, these measures will only duplicate the functions of the various components of the existing system. For example, heritage impact assessment and the Commissioner for Heritage will operate in a way very similar to that of the existing Antiquities and Monuments Office and the Antiquities Advisory Board. The Government has not explained to us how the new framework will rectify the problems with the existing system.

President, as for revitalizing historic buildings and studies on privately-owned heritage conservation, it is highly likely that as in the case of the existing approach to land administration, all decisions regarding the handling of historic buildings will be made solely by government bureaucrats, who always attach paramount importance to one factor: the maximization of land proceeds for the Treasury. I am afraid that if such a mindset is adopted for heritage conservation, the bureaucrats concerned will just be prepared to accept the opinions of academics, residents and local shop-operators on a very limited scale only after all the prerequisites and pre-conditions are met. This actually reminds us of the Star Ferry Pier and the Queen's Pier. However, if there can be changes to the underlying mentality of the land policy and the associated procedures, things will be very different. In this connection, we are still unable to find any exposition of all such policies in this policy address entitled "A New Direction for Hong Kong".

President, let me cite one more actual example here, the case of the Central Police Station Compound. There is this remark in the policy address: We have accepted in principle an innovative revitalization proposal .....

submitted by the Hong Kong Jockey Club. However, did the District Council and community figures concerned ever take any part in the mooting of the proposed project? As a matter of fact, it was not until the Government had made such an announcement that we came to realize that any person can in fact make proposals on historic buildings in Hong Kong at any time. But before the announcement was made, we did not know anything about this. Is the project the idea of the Hong Kong Jockey Club? Did it try to ascertain local residents' expectations and needs beforehand? Did it try to find out whether such a "birdcage" will make local residents have frequent nightmares? Has it ever occurred to the Government that under the original design of the Victoria Prison, the proposed site for the construction of the "birdcage", that is, the playground, used to be the only place in the prison where inmates could see the open sky? If the compound is to be preserved at all in any heritage conservation project, the milieu of the very place must not be changed. But the Hong Kong Jockey Club's proposal will destroy the very place from which prison inmates could see the open sky. It is going to vanish after all.

One therefore cannot help wondering whether the Government is really concerned about what the people think with regard to the conservation of heritage and historic buildings, or whether it has tried to think about what is good for the people from an elevated position of wisdom. If the Government is sincere in introducing political accountability, if they are really politicians aiming to work for the people's well-being and benefits, they should share the people's concerns. If the Government genuinely believes that its level of wisdom is higher and can thus see more and farther ahead, then by all means, it should convince the people that it is trying to address their concerns. In this way, government policies will be able to address the people's concerns, right? The Government must not just elevate its position and then think that it can give what the people want, when what it gives is not what they desire — whenever the people see the "birdcage", they will have nightmares. The original milieu of the Victoria Prison will soon be destroyed and the most important place where the open sky can be seen will disappear. If the Government is indeed determined to reverse its policy of heritage conservation, why does it still fail to eradicate its age-old problem of working behind closed doors in adopting the Hong Kong Jockey Club's proposal?

President, I must raise the point that following her assumption of office, I heard Mrs Carrie LAM explain to the Panel on Development the directions of heritage conservation and town planning set out in the policy address. I must

say that Mrs Carrie LAM does appear to me a responsible government official. But I hope she can realize that if the Government really wants to formulate people-based planning, allowing the people to take part and make their voices heard, it must adjust and change its existing mentality in a fundamental manner.

President, any genuine and effective policy of heritage conservation must make allowance for the early involvement of experts and the public, so that the historical and cultural significance of conserving heritage and historic buildings can be objectively established. In this regard, Hong Kong can make reference to international standards on heritage conservation, such as the Burra Charter and the Principles for the Conservation of Heritage Sites in China drawn up by international and mainland experts. All such literature advocates the preservation of the original shape and historical significance of existing heritage. And, it is also advised that the public and experts should be invited to conduct studies on the physical remains of historical heritage and all related literature, oral accounts as well as evidence. It is a pity that from the direction of heritage conservation set out in the policy address, we cannot observe any government intention of learning from all these advanced practices in the international community and the Mainland.

President, I therefore cannot help worrying that the SAR Government's refusal to converge with international heritage conservation standards is actually caused by the inertia of government officials resulting from practising the existing town planning system for 70 years. They just want to do as little as possible. Under the existing town planning system, the role of District Council is almost entirely absent. In many cases, residents can only oppose government projects in a passive manner, instead of having any chances of putting forward their own plans. Even if there is any such opportunity, as I mentioned just now, only the Hong Kong Jockey Club may make use of it. But how about the general public? It is indeed very difficult for such a one-way and closed lands planning system to accommodate an advanced and open heritage conservation mechanism.

Actually, the aforesaid mentality of the Government is evidenced by this policy address on "a new direction for Hong Kong". The reason is that the Chief Executive simply turns good governance and democracy into two mutually exclusive concepts. The same thinking is applied to heritage conservation. When more people put forward their views, there will be too many competing claims. As a result, the policies formulated by government officials under the

executive-led system will inevitably meet delays and restrictions. This will hamper strong governance and also hinder Hong Kong's development. Therefore, it is considered that the perfect approach should be government officials making all the decisions, controlling everything and arranging everything, with at most a mechanism for the representatives of different sectors to voice their views. In any case, the dictates of those high above must prevail. This is the case with infrastructure construction and conservation. President, upon a close study of the policy address, "A New Direction for Hong Kong", we will see that this is also the case with the planning on market building, social welfare and education.

President, I believe that any effective reform of the heritage conservation system must be supported by a concurrent reform of the town planning system. We urge the Government not to pay mere lip-service, not to give any false hopes to those Hong Kong people concerned about conservation.

President, due to the time constraint, I will just say a few words on food hygiene for the Civic Party. We are of the view that the three measures on food safety as set out in the policy address, namely, the drafting of a food safety bill, the formulation of food safety standards and the introduction of a nutrition labelling scheme, are all geared in the correct direction. However, I am afraid that as in the case of heritage conservation discussed just now, the SAR Government's measures in this regard will also lag behind international and mainland policies. It is hoped that the government departments concerned can step up their efforts.

Finally, I wish to put down on record the Civic Party's hope that the legislation on nutrition labelling to be put before the Legislative Council for scrutiny can also cover trans fat. The President may also be aware that the Consumer Council has recently conducted an investigation in conjunction with the Centre for Food Safety. We now know that we have been eating large amounts of trans fat every day without realizing it. Our health is thus affected and we may even have higher risks of contracting coronary heart diseases. For this reason, we maintain that the public must have the right to know the nutrition contents of food. It is hoped that when formulating the subsidiary legislation on nutrition labelling, the Government can pay more attention to this problem. Thank you.

**MR JAMES TIEN** (in Cantonese): President, in this debate session, I shall first discuss the issue of energy.



President, for nine years after the reunification, and until last year, I had been the Chairman of the Panel on Economic Services. And, all that time, I was involved in examining various issues relating to the two power companies. Throughout all these years, all Legislative Council Members belonging to different political parties and groupings have been expressing very great concern about the two power companies and all issues relating to them, including their tariffs, scheme of control agreements and air pollution. Members have all been following these issues very closely.

Regarding all these issues, the Liberal Party has always thought that since the existing scheme of control agreements were signed respectively with the two power companies back in 1993, when the world economy was marked by high inflation rates and interest rates, it is only understandable that the profit level was agreed at 13.5%. However, we have also been maintaining that it is simply unreasonable to make the agreements valid for 15 whole years, the reason is that global economic conditions will fluctuate. For this reason, while we consider that it is necessary to extend the scheme of control agreements, and that it does not matter whether the validity period is 10 years or 15 years, we do also think that the maximum, or effectively the minimum, profit rate under the agreements (which is currently 13.5%) should be reviewed once every five years. We do not think that the rate should be maintained for such a long time.

Secretary Stephen IP agreed at the end of last year in the Legislative Council that the permitted rate of profit would certainly be reduced to a single-digit one. I hope the Government can keep its promise. The new Secretary may not know that the motion passed by the Legislative Council at the time actually asked for the reduction of the rate from 13.5% to 7%. We do, however, understand that one or two years has already passed and the investment environment has since changed. At present, interest rates in Hong Kong have risen, and so has the inflation rate. Therefore, when handling this issue, the Government may..... We naturally hope that the rate can be as low as possible. I mean, we hope that the new Secretary can continue with the efforts to bring about a single-digit rate as promised by his predecessor.

When it comes to the remarks made by the new Secretary in the recent meeting of the Legislative Council Panel on Economic Services..... Since I was away in Macao on that day, I was not present, but I have gone through the minutes of meeting. Concerning the enactment of the required legislation, the Liberal Party is of the view that if, after exhausting all possibilities, it is still

impossible to reach any new agreements at the very last minute, that is, at the end of this year or early next year, and if the public interest will indeed be injured, as when there are the dangers of possible disruptions of power supply, then the Liberal Party will definitely give serious thoughts to supporting any legislation that is put before the Legislative Council. However, as pointed out by many Members at the aforesaid meeting, it is much too early to talk about this scenario at this stage. And, any references to it now really smack of intimidation.

Understandably, perhaps because Secretary Edward YAU has not been involved in any commercial operation, he may find the negotiations in the past three months very difficult, and he may even find it impossible to achieve anything. However, judging from the responses of the two power companies over the past two days, we can sense that they too have been making active efforts to settle this problem, in the hope that an agreement with the Government can be reached as soon as possible.

I have of course also noted many commentaries from the perspective of investors. Indeed, right after the Secretary's mentioning of this issue on Monday, the stock prices of the two power companies started to rise on Tuesday. But, honestly speaking, is it really true that the message concerned, that is, the news that we may enact legislation to regulate the profits of a listed company, will not have any effects on foreign investors? I hope the Secretary can note that the stock market as a whole actually soared some 1 000 points, so the stock prices of any companies (including those of the two power companies) should have risen likewise. What I am worried about at the same time is that if we are really forced to enact legislation on this issue one day, international media will certainly report the news in high profile, saying that Hong Kong must resort to legislation as a means of handling the matter. Therefore, the Liberal Party definitely does not wish to see such a scenario. Rather, it hopes that we can continue to encourage the Secretary to reach agreements with the two power companies.

President, I also wish to say a few words on the environment. In this connection, I want to focus on the proposal to ban idling vehicles with running engines, an issue which is closely related to air pollution. As early as two to three years ago, the Liberal Party already started to actively encourage the Government to legislate against idling vehicles running their engines. But the Government then replied that it had to make some further consideration, and that

it would first try to adopt the approach of encouragement. Following this, the Chief Executive himself decided that the Government should take the lead and require all its idling vehicles not to run their engines. This happened several years ago, and Secretary Edward YAU may not be aware of the change — in the past, during summer, the engines of "AM" vehicles waiting for Directors of Bureau outside the Legislative Council Building were all switched on, but these days, this is no longer the case. I think this is some kind of progress.

What is more, although I am now the Chairman of the Hong Kong Tourism Board, I must still express my concern about the problem caused by tourist coaches. I maintain that idling tourist coaches should not run their engines either. It is simply unreasonable to switch on the air-conditioning systems of tourist coaches at the Peak for as long as an hour, while drivers are waiting for the return of sight-seeing tourists. When tourists are about to finish their sightseeing, about five to 10 minutes beforehand, the tourist guide concerned can actually ring up the coach driver, informing him that all the 40 tourists will return for boarding, say, five minutes later. The driver can then switch on the air-conditioning system and let it run for five minutes. When compared with running the air-conditioning system for one whole hour at the Peak, doing so for just five minutes will obviously help us much more greatly to abate air pollution.

There are of course some difficult cases. For example, in the case of taxis lining up for passengers, it will be impossible to require drivers to start and switch off the air-conditioning systems of their vehicles every two minutes. Therefore, it may be necessary to grant exemption in cases like this. However, in general, when it comes to all private cars and school buses conveying school children and also tourist coaches, we are in total support of the Government's move to ban idling vehicles with running engines. Understandably, as I have mentioned, all sorts of possible scenarios and cases may be noticed in the legislative process, and we may have to discuss how to deal with all these possible scenarios. I believe that Members and the Government will surely be able to work out the required solutions and enact a piece of sensible legislation.

Lastly, I wish to say a few words on heritage conservation. We as a political party also notice that people's major concerns will usually change very drastically every few years. Over the past one year or two, the public have shown an increasing concern about heritage conservation. For this reason, the Liberal Party has also kept a heightened interest in this issue correspondingly.

The Liberal Party totally supports the stance of requiring the Government to make more effective efforts.

The first point I wish to raise is that government departments should conduct another internal review of the Land Sale Application List System. The review should take account of various factors such as heritage conservation and environmental protection. The purpose is to avoid an unreasonable situation, whereby somebody may raise objection after a property developer has successfully bought a lot under the Land Sale Application List System, thus making it necessary for the Government to consider a revision of the terms of land grant when construction is already underway. And, such revision may result in litigation. This is not a desirable approach. It is best to first review the Land Sale Application List System and then handle all these matters.

If privately-owned heritage, residential properties or development projects are involved, the Government should of course pay appropriate compensation. Compensation in this context should not be taken to mean the price of purchase, say, 40 years ago. We maintain that compensation should be based on the reasonable market value of the day. Compensation may not necessarily be paid in the form of cash. Rather, the owner concerned can be granted a land lot nearby as compensation. Or, the heritage concerned may even be conserved *in situ*, while the owner is permitted to erect a building of the same kind next to it. Or, the height restriction can be relaxed, so that he can construct a building. All will have to depend on the conditions of individual land lots. I think the Government must at the same time respect commercial contracts and the conditions of land grants while seeking to conserve heritage.

Thank you, President.

**MRS SELINA CHOW** (in Cantonese): President, I totally respect the ruling you made at my request yesterday on whether Mr LEE Cheuk-yan's remarks were offensive. Mr LEE's innuendo and attempt to besmirch the Liberal Party were phrased in the form of a question, so he can of course "get away" technically. However, he has achieved the effect of besmirching us. Members should really consider whether such a practice should be encouraged and tolerated in this legislature.

Regarding the negotiations between the Government and the power companies, I must point out that unlike what some Members of this legislature

think, things will not work out simply by enacting a law requiring the power companies to reduce emissions. In this connection, what the Secretary has talked about is not the enactment of legislation under such circumstances. What he talked about the other day is that in case no agreements can be reached, legislation may be enacted in their place. What some Members advocate, however, is that the Legislative Council should act unilaterally and enact a law with some statutory requirements that serve to compel private enterprises to comply with the conditions set down unilaterally by the Government.

Mr James TIEN has explained very clearly the Liberal Party's general position on the negotiations, so I shall make no repetition here. We only want to express our views on the tactic employed. As also pointed out by Miss CHAN Yuen-han just now, although the two successive Secretaries have been holding negotiations with the two power companies for some two years, there does not seem to be any substantial progress. We dare not say whether any single side should be held responsible whenever any negotiations are caught in a stalemate. The Government may be entirely in the right, or the two power companies may be totally in the wrong. But Secretary Edward YAU has assumed office for only three months or so. As he himself once remarked, there is still some two months before year end. In that case, is it really necessary to employ such a tactic to threaten the two power companies at this very stage?

But such a tactic may really work, for the two power companies have already hastened to announce that everything will be fine and the negotiations will certainly bear fruit before year end. Therefore, the tactic may really have achieved the desired effect. If the Secretary is sure that the desired effect has been achieved, I hope that he can return to the negotiation table. We also hope that the Government can, in very much the same way as it has been handling other similar issues, continue to rely on its negotiation skills and have more confidence in itself. What I mean is that it should have the confidence to settle the issue in question over the negotiation table, rather than resorting to any "bluffing".

Speaking of conservation, I must point out that following the demolition of the Star Ferry Pier last year and all the earlier disputes surrounding the removal of the Queen's Pier, there have been notable changes in the attitude of society towards the conservation of historic buildings and also its related expectations.

The authorities should keep abreast of the times and seek to gain a deeper understanding of the various public aspirations regarding heritage conservation. They should maintain constant communication with the public, so that they can form a new mindset in the process and explore directions that can command the acceptance and support of all.

It is fortunate that extensive treatment is accorded to the development of heritage conservation in the policy address this year. Clear concepts and definite measures are put forward. And, the Chief Executive even treats heritage conservation as an important part of his concept of "Progressive Development", showing the authorities' sincerity and determination regarding the identification of a future policy direction for heritage conservation.

Given all the changes in public expectations, how should we formulate a heritage conservation policy for the future? I think that discussions on a heritage conservation policy should not be confined to the demolition or otherwise of a building. Such discussions only represent a very narrow and outdated understanding of heritage conservation. To begin with, heritage conservation is not simply about keeping a certain building intact, retaining its historical shape and letting it become a mere monument for public tribute. Quite the contrary, besides retaining a built heritage physically, we should at the same time revitalize it, give it a new significance and put it to new uses, with a view to integrating it into our daily life. That way, the built heritage can continue to contribute to society, thus making its existence much more meaningful.

Historic buildings should not be treated as any time-capsules buried underground and left entirely alone, only to be dug up years later by our children. Buildings are themselves part of our social facilities, meant basically to serve the people. For this reason, they should progress hand in hand with society, and it is only in this way that they can fulfil their intrinsic mission.

I very much agree to the concept put forward in the policy address, which sees the physical conservation of built heritage and their revitalization as equally important. But how can they be revitalized? In the policy address, a very clear principle is set out — we should ensure the integration of historic buildings into social life and their interaction with the community, with a view to bringing forth social and economic benefits. These days, everybody is advocating sustainable development. The concept of revitalization can serve precisely to

give buildings with historic significance a new lease of life, thus enabling them to continue to play their roles and serve society. This can truly comply with the concept of sustainable development.

I once wrote an essay in August 2005 on how heritage conservation can meet the needs of sustainable development. I pointed out that the authorities should provide financial incentives to encourage owners to preserve privately-owned historic buildings, and that while preserving the hardware, owners should also be permitted to finance the maintenance of the hardware with proceeds from the software. By hardware, I meant historic buildings, and by software, I meant the uses they are put to. I am glad that today, two years later, views similar to mine are found in the policy address.

The international trend in recent years is to adapt historic buildings for modern uses, so as to tie in with urban development. In many cases, commercial activities are permitted up to a certain extent. When considering new uses of historic buildings, we must of course make sure that any such uses must fit the style of the buildings concerned. If not, incongruity will result. But must we always turn historic buildings into museums? I think that there should always be flexibility in considering the software factor. There must be flexibility, and at the same time any new uses must be able to fit the actual setting and meet practical needs.

However, whenever historic buildings are mentioned, many people will immediately advocate, almost as a reflex action, that they must be converted into museums. How many museums do we need, may I ask? How large should our museums be anyway? It is pointed out in the policy address that the Government has accepted in principle the revitalization proposal of \$1.8 billion submitted by the Hong Kong Jockey Club concerning the Central Police Station Compound. Under the proposed revitalization project, the Central Police Station Compound will be integrated into the surrounding environment. It will be transformed into a new landmark featuring a balanced mix of historical, architectural, cultural, artistic, sightseeing, shopping and leisure elements. The facilities to be provided include an observation deck, a theatre, an auditorium, a gallery, mini-cinemas, restaurants and retail outlets. A pedestrian link will also be built to connect Lan Kwai Fong and the Soho area nearby.

I think the proposal can aptly realize the spirit of attaching equal importance to conservation and revitalization. If it is implemented, the Central

Police Station Compound will be conserved, and not only this, there will also be a place of variegated interests for both the public and tourists. More importantly, the historic buildings there will be enlivened, and they will thus become part of people's life. That way, everybody can feel their existence and value at any time. I believe that if the Central Police Station Compound were animate, it would certainly want to be a mirthful place closely connected with contemporary life, rather than just an antique or inanimate object left over from the past, desolate, scantily frequented and totally irrelevant to everybody's daily life.

One question frequently asked in such discussions is how built heritage can be put to commercial uses. Will the cultural significance of a built heritage be totally obliterated once it is put to commercial uses? We can still remember how the old Stanley Police Station was occupied by a supermarket, and how it was converted beyond recognition. Conservationists' hearts were broken, and not only this, even the general public found the whole thing unacceptable. I have sought advice on this issue from an expert of heritage conservation. He told me that it was possible to adapt these buildings for commercial uses, and that in other cities which attach importance to heritage conservation, examples can be found. According to him, the critical question is whether the conservation of the spirit, style and features of the building is accorded priority. In the case of the old Stanley Police Station, for example, if its original features had been preserved to turn the adapted premises into a unique supermarket, there would have been no violation of conservation principles.

**MR MARTIN LEE** (in Cantonese): Madam President, since I did not return to Hong Kong until last night, my speech today will also cover the issue of constitutional reform. I must first apologize to Members.

Madam President, just now, Mrs Selina CHOW criticized Mr LEE Cheuk-yan for besmirching the Liberal Party. I have been to quite a number of foreign countries recently, "speaking the truth" about Hong Kong. As far as I could observe, the parliamentary assemblies of other places are entirely different from our own legislature. In Canada, for example, I listened to the Throne Speech, the equivalent of the Queen's Speech in the United Kingdom. A debate was held on the day immediately following the delivery of the Throne Speech, and the whole debate was marked by touches of irony and satire as well as censure. This is simply their parliamentary culture. Why are we in Hong



Kong so concerned about whether others are swearing us? The question that must be considered is: Is all the so-called smearing justified? If not, one can just rebut the criticism. If yes, one must not criticize others for besmirching one. I hope that in the future, Hong Kong can follow suit and does not have to wait two weeks before the policy debate is conducted. In the past, the wait was even longer. In Canada, they conduct the debate immediately, right on the following day.

Madam President, in paragraph 5 of the policy address, the Chief Executive remarks that our country ushers in a new era for Hong Kong. I was saddened when I read this paragraph. We in Hong Kong used to do so for our country. I can remember that when State leader DENG Xiaoping talked about "one country, two systems" many years ago, he also mentioned "Hong Kong people ruling Hong Kong", "a high degree of autonomy" and also maintaining the *status quo* for 50 years. My son was very small at that time, and he asked me, "Daddy, a period of 50 years will not pose any problem for you. But how about me?" I frankly did not know how to answer him.

At the time, it never occurred to me why the period had to be as short as 50 years, why it could not be longer. Later on, I became a Basic Law drafter. On 16 April 1987, all the Basic Law drafters were asked to have an audience with the then State leader DENG Xiaoping, who delivered a very important speech on the occasion. The speech has recently been brought up for discussions in the Mainland. In the speech, he raised this point, "If 50 years is not enough, there can be 50 more years." I was very puzzled at that time. When asked on this by journalists, I gave them quite a negative reply, "The State leader must have had a good night's sleep, so he now wants to give Hong Kong 50 years more." But I was actually very frustrated, and I asked myself, "If, one day, the State leader cannot sleep well and deducts 20 years, leaving us with 30 years only, what are we going to do?"

Later on, after pondering on the whole thing for a long time, I finally started to understand his intention. He did not personally tell me anything, I must say. All is just my personal speculation. Actually, when he first raised the concept of "one country, two systems", he had already launched the opening of our country, and foreigners had already been permitted to make investments in China (though there were still many restrictions). Obviously, he already knew what he wanted to do. I believe that even at that time, he already started to think that our country should not continue to follow the road of socialism.

When we look back at the past now, we will understand his intention. Is communism is still being followed in our country? Is socialism still being followed? All is just "socialism with Chinese characteristics". This actually means capitalism, and our country is even moving towards the market economy. Therefore, in retrospect, I can say that when DENG Xiaoping raised the notion of "one country, two systems", what he had in mind was Hong Kong. Hong Kong was then very prosperous and stable, and the people's liberties were protected under the law. Obviously, he thought that Hong Kong was a good example for our country, representing the very path it must tread in the future. Why was there the maintenance of the *status quo* for 50 years then? I believe that all was because he did not want Hong Kong to be dragged backwards by the reunification. He therefore wanted Hong Kong to continue with its way forward. He was of the view that it would take 50 years for the Mainland to catch up with Hong Kong, so he raised the idea of maintaining the *status quo* for 50 years, asking everybody not to worry, and explaining that Hong Kong people's existing way of life, liberties and capitalistic system would all remain unchanged. He even made it very clear that the socialist policies of the Mainland would not be practised in Hong Kong, and this principle is also enshrined in the Joint Declaration.

Why did he remark later on that if 50 years was not enough, 50 more years could be given? His worry was that if the Mainland still failed to catch up with Hong Kong 50 years later upon the expiry of "one country, two systems", the progress of Hong Kong might be hindered. For this reason, he remarked that if 50 years was not enough, 50 more years could be given, implying that there would be 50 more years for the Mainland to catch up with us. Therefore, the last thing he wanted to see was any impact of the Mainland on Hong Kong's progress after the reunification.

Therefore, the present talks about our country ushering in a new era for Hong Kong are the exact opposite of DENG Xiaoping's intention of allowing Hong Kong to lead our country in the process of Four Modernizations. Having listened to such words of the Chief Executive, I cannot help feeling that he simply does not have any aspiration. Why is it impossible for us in Hong Kong to continue to progress? Hong Kong can still make contribution to our country in many ways. We are noted for the rule of law, but this is virtually absent in the Mainland. This point alone should already warrant the Chief Executive's special mention. But this seems to be something much dreaded not only by the incumbent Chief Executive, but also by his predecessor. Hong Kong is still the

largest investor in the Mainland. Why are all these points not mentioned? Why does he say that we must rely on our country to usher in a new era for us?

The Hong Kong Government is basically very clean due to the existence of the Independent Commission Against Corruption and our control of corruption. As Members know, Hong Kong used to be a city marked by rampant corruption. Since we have done such a good job, why do we not try to lead the country in this area? Why is this point not given any emphasis? Why does our Chief Executive keep emphasizing that our country is the greatest? Our country is of course very great, many times greater than Hong Kong. There is no need to emphasize this point. But why can we not emphasize our advantages before the people of Hong Kong? Why can we not refrain from saying something so discouraging?

Madam President, concerning environmental protection, I must say that the Chief Executive has done a very poor job. Since last year, with the President's indulgence, I have not been wearing a tie in this Chamber. But how about government officials? Throughout the entire summer, have they ever attended any meetings of the Legislative Council in casual summer attire? No. I wear a suit today because it has turned cool, it is no longer so hot, these days. When the room temperature is 25.5 degrees, one cannot possibly avoid taking off one's jacket. The Government keeps talking about 25.5 degrees, about casual summer attire, but why hasn't it taken any actions? One excuse is that since government officials are invited to attend the cocktail party hosted by a foreign consulate, they cannot possibly appear in casual attire now and then change into a suit later.

Why can't they do better? Why can the Chief Executive or the Chief Secretary for Administration not write to all foreign consulates in Hong Kong, explaining clearly that all government officials will attend functions in casual summer wear for environmental reasons. Why can they not invite foreign consuls to support our cause of environmental protection? I believe that they will be more than happy to do so. Actually, I know that some foreign consulates have already requested their staff to go to work in casual summer attire, rather than any suits. They have already set a specific requirement on this, and the measure has been put into practice. However, the Hong Kong Government is reluctant to write the letter. As a result, foreign consuls must attend our National Day celebration functions in suits because Hong Kong government officials all wear suits on such occasions. Why can we not tell

them clearly that they are invited to support our cause? This is just a very simple matter. Summer has already passed this year, so I hope that the Government can do so next summer.

What is more, there are many private clubs in Hong Kong, such as the Hong Kong Club and the Hong Kong Jockey Club. In some cases, visitors are requested to wear suits and ties. Why can our Chief Executive not write a letter to these private clubs and invite them to also support this very desirable cause in our Special Administrative Region? All these things can be done very easily. But why haven't they done so after so long?

Madam President, the Democratic Party has actually made many efforts in respect of environmental protection, one example being its proposal on bus operation. As Members all know, between 7 pm and 8 pm every day, there are many buses operating in Central, but quite often, there are just two or three passengers on each bus. Sometimes, there is even just one passenger on board. There are buses all around. Is this environmentally-friendly at all?

I can recall that around 2002, the Democratic Party had a meeting with the then Commissioner for Transport, Mr FOOTMAN. Before this meeting, we had met with all bus companies, that is, all the bus companies operating bus services on Hong Kong Island, and other public transport operators such as the Hong Kong Tramways Limited and the Mass Transit Railway Corporation Limited, consulting them on one issue. We asked them whether all cross-harbour bus routes arriving at Hong Kong Island via the Eastern Harbour Crossing should terminate outside Victoria Park and return to Kowloon from there, whether all cross-harbour bus routes coming to Hong Kong Island via the Western Harbour Crossing should terminate at Sheung Wan and return to Kowloon from there, and whether all cross-harbour routes coming via the Cross-Harbour Tunnel should end also outside Victoria Park and head back for Kowloon from there. We also asked them whether it was feasible to deploy environmentally-friendly buses for the operation of feeder shuttle bus services between the Sheung Wan terminus and the Victoria Park terminus.

At that time, he told us that the proposal would not be feasible because many District Council members and Legislative Council Members representing the New Territories would raise objection. New Territories residents, we were told, would prefer just one single bus trip for going to work in Central. Some Members of the DAB are actually in agreement with the Democratic Party on

this issue. They even think that in times of elections, the two political parties may agree not to raise this issue for attacking each other. The central committees of both parties may also instruct their District Council Election candidates to render support to this environmentally-friendly proposal. This means that all these problems can in fact be tackled. But it is a pity that up to now, there has not been any clear timeframe on when this can be done.

I myself do not have any difficulties. New Territories residents going to work in Central may want to sleep all the way on board, but they must realize that with the implementation of the aforesaid proposal, there will be less serious traffic congestion on the way to Central, thus saving plenty of journey time. In this way, they can have some more sleep at home, instead of having a nap on buses. To be exact, they may still sleep on board, only that when their buses get to the Hong Kong Island terminus, they must first alight. Shuttle buses will come along soon enough, and once they are fully loaded, they will depart. I do not believe that passengers will reject such an arrangement.

Just now, Mr SIN Chung-kai also mentioned another proposal put forward by the Democratic Party. The proposal is on the use of pedestrian footbridge systems. I shall make no repetition here. We also discussed this proposal with Mr FOOTMAN. His name is a very good one indeed. It means a man getting around on foot. Therefore, nothing is better than building footbridges for him. But the proposal has still not been implemented so far. All these proposals are good to the cause of environmental protection, but why are they not accepted? Is that because they are put forward by the Democratic Party, so they cannot be accepted?

At this juncture, I must also point out that many years ago, we already proposed that a scheme of alternate entry for vehicles with even-numbered licence plates and odd-numbered licence plates should be implemented in districts with heavy vehicular traffic, such as Central and Mong Kok. This means that vehicles with licence plates ending with the numbers of 1, 3 and 5 should be allowed access on, say, Mondays, Wednesdays and Fridays. And, those with licence plates ending with 2, 4 and 6 should be allowed entry on Tuesdays, Thursdays and Saturdays, for example. Beijing has already adopted such a scheme. Others have already put the idea into practice, but Hong Kong has not. This is a very simple scheme and it is very easy to ascertain which vehicles should be allowed access. At that time, some dismissed the idea as unworkable. They said, "What will happen if a person owns two cars? He

can use his odd-numbered car and even-numbered car on alternate days. That way, he can go to all those districts by car every day." I must point out that after implementing this scheme, he will be able to use only one of his two cars every day. But at present, he may use both of his cars every day. Another point is that following the implementation of this scheme, neighbours may actually make some sort of arrangements for sharing their cars. This is something that we should all do. But why has nothing been done after such a long time? Can we expect the sky to turn azure merely by engaging in empty talks? Therefore, I hope that since the Government has such a huge surplus now, it must implement all these proposals — and, no expenditure is actually required in many cases, I must add. If no concrete actions are taken, the sky will never turn azure automatically. Even if the sky does not turn blue immediately after actions are taken, they will not be blamed. If everyone can join hands, the sky will certain turn azure.

Madam President, I now wish to discuss constitutional development. In paragraph 2.08 of the Green Paper on Constitutional Development, it is stated very clearly that the Special Administrative Region is not a sovereign entity and therefore cannot determine the model of its own political structure. Madam President, I can remember that when the Joint Declaration was announced, the people of Hong Kong were told very explicitly that with the exception of foreign and defence affairs (Everybody agrees that these should be the responsibilities of the Central Authorities), all other affairs shall be handled entirely by ourselves. But it has turned out that this is actually not the case. The model of our political structure and the time for implementing democracy must both be determined by the Central Authorities. I think that if all this had been made known at the time, the Joint Declaration and the notion of "one country, two systems" would not have been accepted by the people of Hong Kong so readily. Are we amending the Joint Declaration now? Are we supposed to amend it in such a way that even matters such as the political structure must also be determined by the Central Authorities? What is going on anyway? And, worse still, such words are all said by the Special Administrative Region itself.

When I was overseas, I paid very close attention to President HU Jintao's comment that he was opposed to any external intervention in the affairs of the Special Administrative Region. Frankly speaking, I agree entirely to his comment. I believe that he was very careful with his choice of words. Rather than talking about "foreign intervention", he referred to "external intervention". In the context of the Special Administrative Region, "external intervention"

should include "mainland intervention" because this is what the word "external" should mean. I agree to this comment because Hong Kong has long since been subjected incessantly to "external intervention". To the Special Administrative Region, the Mainland is certainly "external". The Mainland has been intervening in all tiers of our elections through the Liaison Office of the Central People's Government in the Hong Kong Special Administrative Region (Liaison Office).

Several years ago, when I said so, I was rebuked by the press and demanded to produce evidence to support my claim. Today, no one asks me to produce evidence any more, because such intervention is by now widely evident. In the Chief Executive Election, the Liaison Office made all the arrangements and preparations for its desired candidate. This was also the case with the Legislative Council Election and the District Council Election (The two municipal councils were abolished long ago, so no elections were held). Recently, Mrs Regina IP has decided to run in the Legislative Council By-election, and the Liaison Office has once again stepped in to support her. Is all this "external intervention" in the affairs of the Special Administrative Region? I am not talking about the political structure. I am just talking about elections. How do they account for all this? At this juncture, I must say that I have observed something very interesting. Mrs Anson CHAN says that she supports the implementation of universal suffrage in 2012. Mrs Regina IP also says so. Since the Liaison Office and the DAB both also support Mrs IP, I have been led to think that things will be alright.....

**PRESIDENT** (in Cantonese): Mr Martin LEE, our present debate is on the policy address. I hope that you will not comment on the political platforms of the two Legislative Council By-election candidates one by one here. If you want to discuss their election platforms, please do so after leaving the Chamber. I now ask you to return to the policy address.

**MR MARTIN LEE** (in Cantonese): I accept your ruling.

The Chief Executive mentions in paragraph 101 of the policy address that he will seek to "forge a consensus". In order to forge a consensus, the issue of universal suffrage, the issue of when to implement universal suffrage, must first be properly tackled. But how? He emphasizes that several pre-conditions

must be satisfied first. First, there must be majority opinion support from the public. Second, there must be the support of two thirds of Legislative Council Members. And, finally, there must be the support of the Central Authorities. This is precisely where the problem lies. Which of these pre-conditions does he regard as the most important? If we look at opinion polls, we will see that those who support the implementation of universal suffrage in 2012 are already in the majority. This is all very clear, and the number of such people has also been increasing. Should he thus respond to public opinions and do his very best to persuade those political parties in the Legislative which do not support the implementation of universal suffrage in 2012, in the hope of winning them over to the cause and obtaining the support of two thirds of Legislative Council Members? Should he then persuade the Central Authorities to support a scheme that commands the support of Hong Kong people? He should.

But I am afraid that he will not. I even fear that he may do the opposite. He may target on six Members among the 25 Members in the democratic camp and try to win them over. That way, he will have the support of two thirds of Legislative Council Members. Then, he may tell the public that there is already enough support in the Legislative Council and ask them what they think. By that time, the Central Authorities may have made a final decision and ruled out the implementation of universal suffrage in 2012, because the DAB sometimes says that it supports this, but at other times, it will say that it favours the year 2017.

He may then ask the public whether they really want universal suffrage. If yes, he may tell them that they must wait until 2017. Not only this, there may even be many pre-conditions. The kind of universal suffrage for electing the Chief Executive may not simply be based on "one person, one vote". Rather, there may be a screening process. As mentioned in many articles I wrote before, if a person must be nominated by at least 100 members in an 800-strong Election Committee before he can run as a candidate, there will be *de facto* screening by the Election Committee. If there are, say, two eventual nominees, they are bound to be the ones favoured by the Central Authorities. In that case, there may be eight prospective candidates, but in the end, only two will be nominated. As far as I can observe, this method will most likely be adopted. The reason is that pro-communist organizations have never ruled out this alternative. And, I must still add that even such a method will not be implemented until 2017.



With regard to the question of when there can be universal suffrage for electing Legislative Council Members, a decision has been deferred again and again. No one in the pro-communist camp has ever mentioned when functional sectors can be abolished. They are still very much clinging to functional sectors, hoping to perpetuate their existence. Therefore, the only question now is what the Chief Executive is going to do. This is a very important question. As the next step, he will submit a report to the National people's Congress.

I have been to several foreign countries recently. Their governments are also very concerned about this issue. They all want to know whether the Chief Executive will submit a democratic scheme, whether he will put forward a proposal dictated or pre-approved by the Central Authorities, or whether he will just submit an undemocratic scheme. What differences are there? The answer is very simple. If the Chief Executive is really true to his conscience and draw up a democratic scheme in strict accordance with Hong Kong people's aspirations, and if the Central Authorities do not approve of this scheme, the Central Authorities will be forced to act as the "bad guy". Therefore, the Central Authorities have every reason to expect the Chief Executive not to do so. This reminds us of the Chief Executive's promise that three mainstream proposals will be set out in the Green Paper. But in the Green Paper, no such schemes are set out. There are only a series of questions each with a few appended options. Obviously, the Green Paper which the Chief Executive once had in mind has already been ruled out by the Central Authorities. If the Central Authorities can influence our Chief Executive in such a way, if they can even dictate to him the contents of the Green Paper, preventing him from including the things he wants, then how can we convince ourselves that the same thing will not happen to the writing of the report? In other words, how can we convince ourselves that the Central Authorities will not explicitly or implicitly tell him what he must, or must not, include in the report?

Madam President, Chief Executive Donald TSANG has recently made an inappropriate remark, comparing democracy to the Cultural Revolution. I do not intend to ridicule him here because to err is human. I make mistakes more often than many others. Therefore, I will not ridicule him. But very frankly, I must still ask whether others will thus think that his words are but the true reflection of how he looks at democracy deep down his heart. We will get the answer very soon because he must now write the report and submit it to the National People's Congress. The whole world is watching him now. If he

really writes up an extremely undemocratic report, people will certainly say, "See, I am right. He really has such a low opinion of democracy. Therefore, it is no surprise at all."

If he really wants to tell others that his inappropriate remark is just a slip of the tongue, if he wants others to believe that he does not look at democracy so very negatively, he should make good use of the present opportunity, write a report that can meet the aspirations of Hong Kong people and put forward a democratic scheme, rather than presuming that the Central Authorities will certainly disapprove of any democratic schemes he puts forward. Why must we still cherish such a hope? Since the Green Paper does not rule out the feasibility of implementing universal suffrage in 2012, since we now know that there is so much support among the people (Hong Kong people all very much hope that their voices can be reflected in the Chief Executive's report), the Chief Executive should really make use of the report to make our State leaders realize that there is already a strong consensus among Hong Kong people on this issue.

Members must not forget — I believe they will not forget — that as early as several years ago, all in Hong Kong already reached a full consensus on implementing universal suffrage in 2007 and 2008. It was actually not just a consensus, but unanimity. In other words, there was the agreement of all. All major political parties held such a view. The DAB and the Liberal Party even included this point in their party platforms. At that time, no one in Hong Kong was of the view that it would be too early to implement universal suffrage in 2007 and 2008. No one thought that we were not yet well-prepared. Everybody agreed on 2007 and 2008 and everybody thought that there could be universal suffrage in Hong Kong in 2007 and 2008, but now, several years on, why do some claim that it will be too early to implement universal suffrage in 2012? What is the logic anyway? I really cannot follow.

I can remember what Mr Allen LEE told me at that time. He was then the Chairman of the Liberal Party. He said to me, "Martin, judging from the present circumstances, if universal suffrage is implemented in 2007 and 2008, the Democratic Party should win in the elections. Well, then, you people will become the ruling party. But you will certainly spoil everything, so it will be the turn of the DAB. But its social policies will also spoil everything. In that case, our Liberal Party will just take over." This is precisely the spirit of democracy. Under a sound democratic system, no political party can be sure

that they will win forever. Even if a party emerges victorious this time around, it cannot guarantee victory in the next election. This means that the political party must make improvements to pave the way for its return.

In Taiwan, people can make it. Taiwan is a fine example to prove that we Chinese people do not actually have any intrinsic deficiencies. We Chinese people are also worthy of democracy. There are democratic elections in many Southeast Asian countries. This is also the case in many African countries. The Chinese people in Taiwan also have democratic elections. To claim that we are not yet well-prepared is tantamount to slapping ourselves across the face. Even when we look at China, such a remark, I must say, is still an insult to the Chinese race. How can anyone say that our great Chinese race is not yet well-prepared when so many other peoples have already made it? I therefore hope that the Chief Executive can just forget all about his slip of the tongue. He only needs to drum up his resolve and write a good report, a democratic report, for Hong Kong, so that its people can see the implementation of universal suffrage for the two major elections as soon as possible.

Thank you, Madam President.

**PRESIDENT** (in Cantonese): Honourable Members, .....

(Mr Jasper TSANG raised his hand)

**PRESIDENT** (in Cantonese): Do you have a point of order to make?

**MR JASPER TSANG** (in Cantonese): I wish to speak.

**PRESIDENT** (in Cantonese): Honourable Members, I think I should, at this stage, explain to you how I deal with the debate sessions of this Motion of Thanks. Yesterday, before the commencement of the debate, I received some enquiries from several Members who hoped to speak on other subjects during the first session. I hoped they would not do so because I respected the House Committee's decision on the five debate sessions. Later, during the first debate session, Mr CHIM Pui-chung asked me whether he could do so, and I gave him

my reply. Then when a Member spoke on subjects relating to all the sessions, I told Members that while it was not stipulated in the Rules of Procedure that the five debate sessions of the Motion of Thanks must be conducted in this manner, I hoped Members could comply with the House Committee's decision as far as possible. Later, a Member raised a point of order and requested the Member who was speaking to speak on the subjects of the first session.

Today, Mr Martin LEE wrote a note to me before rising to speak. He asked me if he could speak on the subjects of the first session because he was not in Hong Kong yesterday. I told him to explain this to Members in his speech, which he did. Personally, I am not satisfied with how this has been handled because on the one hand, I, as President, will certainly respect Members' right to speak freely and I have to safeguard Members' right to free speech. On the other hand, I have to enforce the Rules of Procedure and respect the decisions of the House Committee. In such circumstances, those Members who had initially sought my permission to speak on other subjects not falling under the first session refrained from doing so at my request. Objectively, I did, subsequently, allow other Members to speak on subjects which do not fall within the session in progress. Therefore, I have to make this explanation to Members.

I feel very sorry that some Members consider attending the regular meetings of the Legislative Council not as important as other matters. I am making this remark with an aching heart. I hope Members in future will try their best to come back to Hong Kong from whatever place, or from overseas, one day earlier, so that we can conduct a good debate in accordance with the Rules of Procedure and the decisions made by Members in the House Committee. If Members should consider that the current arrangements are not satisfactory, I hope you will make adjustments or changes to the arrangements.

For this reason, to those several Members who asked me about the conduct of debate sessions beforehand and the Honourable CHIM Pui-chung who asked me yesterday, I can only say sorry, because the present situation is not what I have told you.

**MR JASPER TSANG** (in Cantonese): President, I must respond to the remarks delivered by Mr Martin LEE just now. But I still respect the President's decision of allowing Mr Martin LEE to deliver his remarks .....

**PRESIDENT** (in Cantonese): Mr Jasper TSANG, please allow me to cut in here. Since Mr Martin LEE has spoken on constitutional development in this debate session, I cannot stop other Members from doing the same if they so desire. You may go on.

**MR JASPER TSANG** (in Cantonese): It is precisely for this reason that I have asked for your permission to speak, so that I can respond to Mr Martin LEE's comments. But I must first add that Mr Martin LEE's absence from Hong Kong yesterday was not due to any commitments related to the Legislative Council. He was in a foreign country to express his personal opinions.

In order to make my speech somehow relevant to this debate session, I may start with the Olympic Games, because home affairs are one of the relevant policy areas. In the policy address, the Chief Executive makes special mention of the Olympic Games, expressing the hope that this important event can be used as a means of deepening people's understanding of our country and their shared sense of national pride. Mr Martin LEE's perception of the significance of the Beijing Olympic Games is clearly totally different.

He delivered speeches and published articles, calling upon President George W BUSH of the United States and other leaders in the world to use this event as a means of direct intervention. All his speeches and articles were in English, and the expression used was "direct engagement", which is meant to force China to carry out political reform. With special emphasis, he appealed to President George W BUSH and other leaders in the world that instead of waiting until the opening of the Olympic Games in August next year, they must make full use of the remaining 10 months. And, he also referred to Hong Kong, commenting that the lack of progress in Hong Kong's political system so far was similarly attributable to Beijing.

When he spoke just now, Mr Martin LEE twice distorted our State leaders' words with intention. To begin with, he mentioned Mr DENG Xiaoping. Frankly speaking, I did not have as many opportunities as Martin LEE to listen in person to Mr DENG Xiaoping's addresses. But what he said in the last paragraph of his article was entirely his own speculation. He said that by talking about "one country, two systems" and "50 years plus 50 years", Mr DENG actually implied that China should follow the lead of Hong Kong, and that Hong Kong should lead China in its development.

I did not listen in person to the address of Mr DENG Xiaoping. But I know that there are many black-and-white records of Mr DENG's theories on "one country, two systems" and the policy towards Hong Kong. One of the most frequently cited records is about the special exposition on "one country, two systems" which he made when addressing a business deputation and some famous personalities (including Sir SY CHUNG) from Hong Kong in June 1984. In this particular address, Mr DENG Xiaoping explained (and I quote), "Our policy towards Hong Kong will remain the same for a long time to come, but this will not affect socialism on the mainland. The main part of China must continue under socialism." More than once in this address, he stressed that the main part of China must continue under socialism.

We may disagree with DENG Xiaoping. Mr Martin LEE may argue that China should not continue under socialism, asserting that DENG Xiaoping was wrong. He may even claim that Mr DENG Xiaoping was not telling the truth, for what he referred to as socialism was not genuine socialism. Under Mr Martin LEE's line of reasoning, socialism with Chinese characteristics is in fact capitalism. DENG Xiaoping obviously did not say so. Mr LEE may disagree with DENG Xiaoping and criticize his ideas, but if he tries to mislead Hong Kong people by distorting DENG Xiaoping's remarks, I think we must all set the record straight.

Mr Martin LEE also referred to President HU Jintao's report to the 17th National Congress of the Chinese Communist Party, in which he asserts that China will firmly oppose attempts by any external force to interfere in the affairs of Hong Kong and Macao. Mr Martin LEE argued that "external force" is not the same as "foreign force". His argument is also a distortion of President HU Jintao's idea.

Leaders of the Central Authorities have more than once mentioned attempts by external forces to interfere in the affairs of Hong Kong. Having searched the relevant records, I notice that the earliest of all such references was actually made in July 2003. At that time, when President HU Jintao received Mr TUNG Chee-hwa (who was then the Hong Kong Chief Executive), he made clear references to foreign forces and external forces. Later on, he also mentioned external forces quite a number of times. "External forces" is actually a term with a much wider coverage, for it includes foreign forces. In the context of Hong Kong, how can we say that external forces are not foreign forces?

Actually, what our State leaders have in mind is precisely the situation desired by Mr Martin LEE. I also notice how Mr Albert HO, the Democratic Party Chairman, has tried to defend Mr Martin LEE. According to Mr HO, others are not exerting any pressure on China with any powerful weapons. We may look at the case of some countries, particularly the United States. Do they really have to use any powerful weapons when seeking to intervene in other countries' domestic affairs? Of course not. We have been talking about this for a couple of decades already, and the political circle in the United States has also been advocating the use of "soft power" as a means of interfering in the internal affairs of other countries. Many such examples can be found in the past 20 years, and there have been different effects on different countries. In general, however, the effects are not conducive to the development of the countries concerned.

The repeated remarks made by Chinese State leaders are directed precisely at this problem. Therefore, Mr Martin LEE's words and deeds can in fact show that their references to attempts made by external forces to interfere in the affairs of Hong Kong are not unfounded. Thank you, President.

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

(No other Members indicated a wish to speak)

**PRESIDENT** (in Cantonese): If not, Council will now be suspended for 10 minutes. Designated public officers will speak when Council resumes.

11.49 am

Meeting suspended.

11.59 am

Council then resumed.

**PRESIDENT** (in Cantonese): Will the Clerk please ring the bell to summon Members back to the Chamber?

(After the summoning bell had been rung, a number of Members returned to the Chamber)

**PRESIDENT** (in Cantonese): A quorum is now present. Council now resumes to continue with the second debate session. Five designated public officers will now speak in this session. On the basis of 15 minutes' speaking time for each officer, they have up to 75 minutes in total for their speeches.

**SECRETARY FOR THE ENVIRONMENT** (in Cantonese): Madam President, Honourable Members, first of all, I am very grateful to Honourable Members for their advice on the policy address, especially on environmental work. I would also like to express my gratitude for the positive comments by Honourable Members on some of the items of the policy agenda. Of course, some Members might consider that we still have not done enough. We hope we can continue to heed Members' advice on administration in the years to come so that we can do even better.

In the course of preparing this policy address, the Chief Executive, the Chief Secretary for Administration and I separately heeded a lot of advice on environmental issues from a number of green groups, local and overseas chambers of commerce, district organizations, political parties and Members of this Council. This explains why environmental work is dealt with in greater detail in this policy address.

The Government fully appreciates that the public considers environmental pollution a pressing problem which has to be resolved urgently. Furthermore, building up a healthy, clean and sustainable environment is the shared wish of the public as well as the Government's responsibility. Hence, the slogan "Quality City and Quality Life" is used by the Chief Executive as one of the highlights of administration and applied to policies in respect of environmental issues in the hope of answering public aspirations. The Government is also aware of the public wish for the Government to, as separately pointed out by a number of Honourable Members earlier, demonstrate its resolution, formulate a clear direction, and introduce specific initiatives and a concrete timetable for actual



implementation. This is acknowledged by the Government and will be taken as the guiding principle for administration. Based on what is stated above, this year's policy address has introduced more than 20 initiatives to reduce pollution, improve air quality, manage waste and improve water quality for the sake of achieving a "Quality City and Quality Life". These initiatives include legislative programmes and funding proposals. Some of the programmes have even had specific timetables. Among others, the emissions ceilings on all power stations in Hong Kong will be regulated by the Air Pollution Control Ordinance by way of legislation to, on the one hand, impose legislative control on emissions of all power stations in Hong Kong and, on the other, facilitate the power stations in engaging in emissions trading with each other or with power stations in Guangdong Province. The relevant legislation will be introduced into the Legislative Council within this year.

We have proposed to expeditiously introduce Euro V auto-fuel to replace the ultra low sulphur diesel (ULSD) now used by automobiles to achieve the objective of expeditiously introducing a cleaner auto-fuel to bring fresher air at roadsides. We have also proposed to legislate to bring the operation of businesses and industries under control by requiring them to replace conventional diesel with ULSD in the hope that emissions in this area can be minimized. We have also proposed to introduce within this year the Product Eco-responsibility Bill and amend the Buildings Ordinance to require newly-constructed domestic buildings to provide recycling chambers for refuse and materials. These several bills are expected to be introduced within this Legislative Session. In addition, there are two applications for funding: the first one is for approving funding of \$93 million for the Hong Kong Productivity Council (HKPC) to encourage Hong Kong businessmen in the Pearl River Delta (PRD) Region to submit applications for consumption and emissions reductions by adopting clean production; and the second one is for injecting \$1 billion into the Environment and Conservation Fund. These two programmes are expected to be launched within this year. The abovementioned initiatives have already had specific proposals as well as concrete timetables. They will be put into implementation once they are passed by the Legislative Council.

Madam President, a good environment is certainly everyone's wish. The Government is also moving in this direction. At the same time, Honourable Members will also spur the Government on to step up its effort. Nonetheless, controversy will inevitably arise when certain green issues are put into implementation. Just as the Product Eco-responsibility Scheme we wish to

implement, we hope to adopt the "polluter pays" principle to reduce waste. Although I believe everyone will agree with this principle, I expect controversy will inevitably arise should the Government introduce a levy to reduce the abusive use of plastic bags. However, after consulting every sector of society in the past year or so, the Government is determined to introduce the Product Eco-responsibility Bill within this year. In the course of implementation, we will heed the advice tendered by Honourable Members, such as Mr Vincent FANG and Mr Andrew LEUNG, by promoting public education while launching the levying initiative and continuing to encourage groups to voluntarily reduce their use of plastic bags to achieve the dual purposes of law enforcement and promoting a green awareness.

Madam President, switching off idling engines is not only a relevant issue, but also a long-disputed proposal which has gained increasing consensus. Insofar as this initiative is concerned, the Chief Executive has made it clear in the policy address that legislation will be introduced to regulate switching off idling engines. It is hoped that public consultation on details of implementation will begin by the end of next week, to be followed by enactment of legislation.

As regards a number of issues raised by Members earlier, I already gave a detailed explanation separately to two Panels on Monday, so I do not intend to repeat every issue here. However, I still hope to explain several key points in this debate. The first issue is global climate change, which is indeed taken very seriously by the people, the Government and the international community. However, there is still a lot of controversy in the international community on how best an indicator can be established for reducing greenhouse gas emissions. Although the Kyoto Protocol was introduced many years ago, some countries in the international community have still not ratified an indicator to enable a consensus to be fostered. Nevertheless, a recent conference attended by leaders of Asia-Pacific Economic Co-operation (APEC) took a step forward as more than 20 member states and regional economies reached an agreement under which energy intensity was adopted as an indicator. The fact that the Chief Executive has included this indicator in the policy address as our policy objective does demonstrate that the SAR Government is sincere and determined in adopting it as an indicator for climate change and greenhouse gas emission reduction. Furthermore, as economic growth is anticipated for still quite some time to come, we do not hope to see emissions rise simultaneously. Instead, we hope that emissions will be reduced in tandem with economic growth.

Of course, we can continue to discuss or argue which indicator is the best. However, if Hong Kong as a service-oriented and cosmopolitan society is to reduce greenhouse gas emission, the key methods to be adopted should include, as mentioned by a number of Honourable Members before, energy reduction, emissions reduction, and energy consumption reduction. This explains why we have proposed in the policy address a series of measures, including implementing the voluntary and well-established Building Energy Codes, to require all newly-completed commercial buildings to adopt these measures to ensure that all electrical installations meet the requirement of energy reduction. In doing so, we believe the amount of greenhouse gas emitted by our newly-completed commercial buildings per annum will at least see a double-digit reduction.

The Government also agrees with Honourable Members that we should set an example. Over the past several years, some efforts were already made by the Government in emissions reduction. We also hope to take the first step by conducting a Carbon Audit in the new Headquarters at Tamar. At the same time, we have to pursue continuous learning in the hope that the business sector will act in the same way to enable the territory as a whole to take a step forward in emissions reduction.

Madam President, besides global warming, air pollution is actually another issue of the greatest urgency and the utmost concern to Hong Kong people. In this respect, the policy address has proposed a series of initiatives on all fronts, and it is worthwhile to specially mention two of them. Firstly, it has been mentioned and agreed by a number of Honourable Members that we must take the first step in cross-boundary co-operation. It is precisely for this reason that we propose that \$93 million be allocated to the HKPC to encourage Hong Kong businessmen in the PRD Region to engage in clean production. We hope this initiative can not only help participating factories to achieve emissions reduction and consumption reduction, but also produce an exemplary and radiation effect to enable different productions in the region to reduce sources of pollution. Nonetheless, besides cross-boundary efforts, certain efforts must be made locally.

Over the past five years, we have seen three of the four air pollutants in Hong Kong diminish gradually, only that the level of sulphur dioxide has risen rather than dropped. We certainly have to make some efforts in this regard. The power plants operated by the two power companies are indeed the source of

pollution in this respect. That is why I explained earlier the reasons for regulating emissions ceilings under the Air Pollution Control Ordinance. This is also why efforts have to be stepped up in the areas of businesses and commerce and auto-fuel, in addition to power plants.

Regarding the duty specially raised by Ms Miriam LAU in relation to Euro V auto-fuel, the concern of Ms LAU and the industry is appreciated. Therefore, before introducing the relevant duty, the Government has already found out the price differences between oil companies in importing Euro V fuel. We believe the relevant duty concessions will not be pocketed by oil companies when the duty is introduced. We will further liaise with oil companies in the hope of reaching a consensus with them.

Solid waste, a popular topic among Honourable Members, is not discussed at great lengths in the policy address because a comprehensive policy agenda was already introduced in 2005, and we have been proceeding according to this agenda. However, two tasks still have to be dealt with urgently. The first one concerns reduction of waste production, the issue raised by me earlier. As the "polluter pays" principle has to be implemented, the Product Eco-responsibility Bill must be introduced as well. Secondly, it is evident that even if 3 "Rs", namely emissions reduction, recycling and waste reduction, can be achieved, waste disposal will still be required. At present, only one waste disposal method is available. Regarding the conditions of landfills mentioned by some Honourable Members (including Ms Emily LAU) earlier, although the standard of landfills in Hong Kong is pretty good, there will still be a certain impact on the public. Furthermore, landfills are not the best and cleanest disposal method. Therefore, the Chief Executive has specially raised in the policy address the idea of developing Integrated Waste Management Facilities that adopt incineration as the core technology in order to reduce waste on all fronts.

In this policy address, greening will proceed in two major directions. On the one hand, Hong Kong is specially gifted in the sense that there are still abundant green belts, including country parks. If circumstances permit, the Government will still be pleased to continue expanding the countryside. This is why the policy address has specially proposed that a new 2 300-hectare country park be built. Nonetheless, greening work cannot be carried out in rural areas alone. As such, we must step up our efforts in urban areas. The Secretary for Development will later provide some supplementary information regarding the greening master plans of urban areas.

Besides government buildings, we also hope to encourage private buildings, through injecting funds into the Environment and Conservation Fund, to participate in overall greening programmes, including vertical greening, rooftop greening, and so on. As regards other nature conservation work, some Members mentioned two schemes launched years ago, namely the Management Agreement and the Public-Private Partnership Schemes. After years of trial, the Management Agreement Scheme has proved to be successful. We have injected resources worth more than \$4 million to enable some organizations (including green groups and district organizations) to jointly take part in conservation in some special zones.

Basically, this Scheme will continue to be extended thanks to the success. We are in the process of accepting applications in the hope that good efforts can be extended, or even to other areas where circumstances allow. Since the implementation of the Public-Private Partnership Scheme, a total of six applications have been received, and we will continue to study some of the preferred options. However, some complex issues relating to land, planning and transport are involved. We will therefore study each application in detail in the hope of seeking a breakthrough. As for the issues raised by Mr WONG Yung-kan relating to fisheries, conservation and other ecological conservation issues, consideration may continue to be given. Consideration may also be given through the Environment and Conservation Fund into which funds have been injected.

Madam President, in this motion debate, the issue of the renewal of the Scheme of Control Agreements (SCAs) of the two power companies has been raised by a number of Honourable Members. Even though I did not raise this issue in the meeting held on Monday, I believe Members will still raise questions on the progress of our discussion with the two power companies. Honourable Members, the Government is duty-bound to regulate the supply of electricity. The Government will, by whatever means, get this job done according to its policy with the highest sense of duty. The purpose of my giving Members an account of our efforts in this area is to make it clear that the Government will continue to perform its role as the executive organ in regulating the operation of the two power companies. Nonetheless, we hope, and also believe, Honourable Members will not shirk their responsibility in rendering us support when we need to introduce legislation to regulate the supply of electricity.

Here, I have to speak in fairness to the two power companies. It is generally acknowledged that the two power companies have been providing

Hong Kong with a stable and safe supply of electricity, thus enabling the territory to meet the required standard as an international city. Over the years, the two power companies have been operating in the mode of SCAs, and the two SCAs will separately expire in September and December next year. As such, it is imperative for the Government to expeditiously discuss with the two power companies what should be done upon the expiry of the existing SCAs. At the present stage, the Government still hopes to renew these proven SCAs. This point has indeed been raised by me during the previous meeting held by the relevant panel.

However, the new SCAs must keep abreast of the times. We have indicated clearly to the public, the business and commercial sectors and the Legislative Council that the new SCAs must introduce improvement in at least three areas: Firstly, the new SCAs must make proper preparations for the opening up of the market. This is also the reason why I mentioned the proposal raised by me during my discussion with the two power companies to shorten the validity period of the SCAs from 15 years at present to 10 years, and the Government may decide on a five-year renewal upon review. Secondly, the level of profit must be adjusted downward and electricity tariffs should be lowered as well. It is also for this reason that the principal provision has been revised to, among others, lower the permitted rate of return for the two power companies from between 13.5% and 15% to within 10% on average net fixed assets. As regards the question raised by Miss TAM Heung-man on why net fixed assets are used, it was mentioned in the phase two consultation paper and by me during the previous meeting, and so I will not repeat it here. Thirdly, we hope to link the emissions of the two power companies with their permitted rate of return in order to reduce pollution. This is absolutely clear, I believe. As the present tasks on energy and the environment are performed as a two-in-one project, they must be jointly dealt with properly. Actually, the Chief Executive has made it clear in the policy address that two reductions must be achieved when the new SCAs are discussed. The first reduction seeks to reduce profits and electricity tariffs for the benefit of the public. The second reduction seeks to reduce emissions of power plants to alleviate and reduce air pollution caused by them. These two principles must be followed, whether through the renewal of the SCAs or legislative control.

Based on the outcome of a two-phase consultation conducted in 2005 and 2006 on the future development of electricity supply, this position of the Government is adopted with reference to the views expressed by Honourable Members in their speeches and during the summing up on a motion debate

conducted on 15 February last year on the "opening up of the electricity market". Therefore, I believe Members will not find this position or proposal strange or even terrifying. Of course, during our discussion with the two power companies about this issue, we will consider whether these requirements can continue to provide the two power companies with a reasonable investment environment and ensure a stable and efficient supply of electricity, as this is a major principle of our energy policy.

Madam President, I would also like to point out clearly here that the Government is still hoping to reach a consensus with the two power companies in entering into a new SCAs. Although the Government will keep up its effort in this regard, proper preparations are called for, given that the SCAs will expire next year and the discussion process is quite complicated. If a new SCA is still not forthcoming by the end of this year, we will have to present a bill to the Legislative Council to regulate the supply of electricity by legislation to ensure that Hong Kong will continue to have a reliable, efficient, reasonably priced and environmentally-friendly supply of electricity. Such a regulatory approach is actually not rare insofar as other utilities are concerned.

Madam President, Honourable Members, in order to successfully implement each of the abovementioned initiatives, the Government must count on the support from Members of this Council and people from all walks of life. I hope Honourable Members can, as always, fully support us in taking forward various challenging initiatives. We also hope that everyone can practise what they preach by putting in their share of effort in various aspects of life to enable us to march together towards the goal set by the Chief Executive of achieving a "Quality City and Quality Life".

With these remarks, I hope Honourable Members will support the Motion of Thanks. Thank you.

**SECRETARY FOR DEVELOPMENT** (in Cantonese): Madam President, the third Government of the Special Administrative Region set up the Development Bureau for two objectives: First, to better promote infrastructure development; and second, to achieve a balance between development and conservation, with a view to building a quality city for Hong Kong and providing a quality life to the general public.

In this policy address of the Chief Executive, the Development Bureau has three major areas of work to help achieve "Quality City and Quality Life", namely, promoting heritage conservation, lowering development density and promoting greening at the district level. I am glad that Members have mentioned all these three aspects during the discussion in this session, and I will respond to each of these aspects later.

First of all, let me explain our work in heritage conservation. During the discussion in this session, Members who have spoken generally support the heritage conservation initiatives proposed by the Chief Executive in the policy address. Such positive response is in line with the response that we have obtained in many public discussions (including the public forum held last Saturday) since the announcement of a series of measures by the Chief Executive on 10 October. In other words, the relevant initiatives have extensive public support.

Mr Alan LEONG particularly mentioned that the introduction made by the Chief Executive in respect of heritage conservation consists of many ideas that come from the civic society. For example, "Cultural life is a key component of a quality city life." A progress city treasures its own culture and history along with a living experience unique to the city. In recent years, Hong Kong people have expressed our passion for our culture and lifestyle. This is something we should cherish. So, in the next five years, we will press ahead with our work on heritage conservation.

This aspiration of the civil society or conservationists is precisely reflected in the Chief Executive's policy address. This is consistent with the Chief Executive's call for upholding the people-based principle in policy implementation, reaching out to the community and taking on board public opinions extensively. Here, I can assure Members that this will be the guiding principle for promoting heritage conservation in the next five years.

With regard to the role of the Development Bureau, Mr LEONG and Dr YEUNG Sum seemed to have some concern about a possible split personality or conflict of roles on my part. In fact, over the past three months or so since I took up the office of the Secretary for Development, I have felt very deeply the need to put under the ambit of one single bureau the work to strike a balance between development and conservation for the time being. I remember that Mrs Selina CHOW, when discussing governance in the last session, made some remarks with which I very much agree. At present, as gaps still inevitably exist



among the bureaux, strong and effective co-ordination is therefore necessary. In respect of heritage conservation, we must do our utmost to catch up and so, there is a pressing need for the Development Bureau to be set up to take forward heritage conservation in tandem with development. Members can imagine that if I, being the Secretary for Development, have not extensively incorporated the public's aspirations for conservation in our future work to promote infrastructure development, our infrastructure projects would only remain stagnant. So, if the same official will bear the blame in future, greater caution may be exercised in striking the balance.

Moreover, with regard to the promotion of heritage conservation, such measures as providing economic incentives for heritage conservation in the private sector and revitalizing buildings will require co-operation among various departments under the Development Bureau. They involve planning, land administration and also legislation pertaining to buildings, and the support of public works departments is also indispensable. So, the merits of this structure have inspired great confidence in me, that we should be able to do better in heritage conservation in the next five years than in the past.

In respect of concrete measures to promote heritage conservation, Prof Patrick LAU, Dr KWOK Ka-ki and Miss CHAN Yuen-han are concerned that comprehensive, long-term and sustainable policies may still be lacking despite the provision of concrete measures. This is not true. When formulating this policy, we already made a very clear policy statement that in formulating policy guidelines for heritage conservation in future, we will protect, conserve and revitalize as appropriate historical and heritage sites and buildings through relevant and sustainable approaches for the benefit and enjoyment of present and future generations, and in implementing this policy, due regard should be given to development needs in the public interest, respect for private property rights, budgetary considerations, cross-sector collaboration and active engagement of stakeholders and the general public. These are written in black and white, and will be consistently stressed to Members time and again in our future heritage conservation initiatives.

Concerning our heritage conservation policy, I would describe it in three ways: First, action-oriented; second, creativity-driven; and third, partnership-based. Over a period of time in the past, from the consultation document in 2004 to the consultation exercise which was restarted early this year, this area of work has actually remained at the stage of consultation. There

is a strong aspiration among the public that the actions to be taken must show how heritage buildings can be preserved or conserved in Hong Kong. So, from the requirement of conducting heritage impact assessment on public works projects to taking concrete steps to achieve adaptive re-use of government-owned buildings, the action-oriented principle is persistently upheld.

However, sufficient drive of creativity is also required. Otherwise, as Mrs Selina CHOW has said, we would only be preserving blocks after blocks of old buildings and this would not have a significant meaning. This is why we have adopted this partnership-based approach for promoting revitalization, hoping to take forward our work in this area by capitalizing on the creativity in the community.

Certainly, compared with these concrete measures, we have not proposed the same to assist the conservation of privately-owned property. The reason is that this is a very complicated issue, and the Chief Executive's policy address has also mentioned this. We must respect private ownership and at the same time, we must come up with a proposal which is acceptable to society and considered to be adequately transparent before economic incentives can be offered to the private owners. While we said that we will continuously discuss these economic incentives with the stakeholders, we have actually embarked on the relevant work. I remember that Mr James TIEN has said that many cases are, in fact, individual, and the potentials of the sites on which these historical buildings are built vary. In some cases, it may be easier to find room for development on the same site which can then make up for the loss incurred in terms of plot ratio as a result of conservation of the historical buildings. But in other cases, development may be very difficult and it is, therefore, necessary to find another site in a different place. If we do not carry out this area of work carefully, some Members may interpret this as a transfer of benefits. So, the Government must be very careful in this respect.

Similarly, regarding the further amendment of the legislation, there is certainly the Antiquities and Monuments Ordinance exercising control in this respect to ensure that the declared monuments are not in jeopardy. Members can also see that where necessary, I will not hesitate to invoke the Ordinance to take appropriate actions for preserving historical buildings with conservation value in Hong Kong. But if we wish to further extend statutory regulation to cover non-statutory monuments, such as graded heritage buildings, we must be very careful. It is because this has never been the intention of the grading

assessment conducted by the Antiquities and Monuments Office (AMO) in accordance with the advice of the Antiquities Advisory Board. Rather, the objective is to assist owners to consider proposals on conservation through the grading system under which buildings are classified into Grades I, II and III. It is not intended to create any effect on the development plan of the owners. Therefore, work must be carried out in a more in-depth manner. Meanwhile, I have asked the AMO to expedite the grading of the 1 440 buildings, so that at least, a database of more concrete information can be built up to facilitate our work in this aspect. So, in respect of heritage conservation, apart from having policies and concrete measures in place, we have incorporated public opinions and we also have the support of adequate resources. This area of work should be able to commence smoothly.

Next, I wish to respond to the specific proposals on heritage conservation put forward by a number of Members to us. Both Mr WONG Kwok-hing and Miss CHOY So-yuk mentioned the concept of revitalization. In fact, revitalization of old buildings can generate considerable benefits. A major basis of progressive development is to promote community economy through revitalization. So, injecting new life into historical buildings to transform them into cultural icons with potentials through the flow of people and activities may even help Secretary Frederick MA in promoting local tourism.

I believe many Members, like me, may not like going to air-conditioned shopping malls or man-made parks. Rather, they may prefer places with historical, cultural and traditional characteristics. From this perspective, the proposal of the Hong Kong Jockey Club (HKJC) for revitalizing the Central Police Station Compound is a very good example. Certainly, some Members questioned why it is the HKJC. But most importantly, we have only accepted in principle the gift from the HKJC to the general public. However, we have asked the HKJC to conduct a six-month consultation and the HKJC has also given a positive response to us. I hope Members will provide more input through their participation in this process.

Certainly, new buildings that are creative tend to arouse controversies. Controversies are fine, and it is most important to have rational discussion. With regard to the views put forward by a number of Members on the proposal for revitalizing the Central Police Station Compound, I personally tend to agree with Mrs Selina CHOW, as I think that the proposal, which is very creative with enormous potentials, will take forward the development in the belt stretching

from Central to Sheung Wan and enable the public to reminisce about the good old days through the cultural and arts, catering and other facilities to be developed in the area. So, I have asked whether we can give a chance to this revitalization proposal of the HKJC, and if we can give it a chance, I think that would be wonderful to Hong Kong. Yet, this is purely my personal view. As this falls within the remit of the Secretary for Development, I can assure Members that I will certainly take a completely objective and neutral attitude towards this task and duly consider the views put forth by the public during the six-month public consultation. If it would finally turn out that members of the public consider such a creative project unacceptable, I can only say that it would be a pity.

Revitalization should not just refer to revitalizing buildings or building compounds. Rather, it should be extended to revitalization of a district. So, Mr Frederick FUNG's understanding of Sham Shui Po and his views on its potentials are correct. In fact, two days ago I visited Sham Shui Po, because under the existing revitalization scheme, together with the Lui Seng Chun situated just one street away, a total of four buildings are situated in Sham Shui Po. In fact, if they can be grouped together for revitalization, the synergy thus produced should be able to arouse concern from many people about the old districts. To take forward this task we will certainly work closely with the District Councils after their meetings resumed.

Regarding the fund mentioned by Prof Patrick LAU and Dr YEUNG Sum, in this review we have not ruled out the possibility of setting up a heritage trust in future, because it is only outside the government mechanism that there can be so much flexibility to mobilize the community and encourage more public participation in heritage conservation. But for the time being, if the setting up of this trust is interpreted as providing independent financial means for compensation, acquisitions or other plans, as suggested by Dr YEUNG Sum, I would consider this view rather immature. I think the establishment of the trust should not affect our existing work and so, for the time being, it is most important to carry out our work in this area effectively. In this connection, the Commissioner for Heritage Office will be established in due course to team up with the AMO in taking forward the relevant initiatives. I also hope that Members who have spoken today as well as Members who support our work will support the creation of the post of Commissioner for Heritage at D2 rank.

As I have said earlier on, heritage conservation requires public participation, while our officials must reach out to the community. Therefore,

software, as mentioned by Dr KWOK Ka-ki, is also essential to heritage conservation. Over the past two weeks we have explored this area of work through public forums organized by professional bodies, and we will launch a series of education and exhibition activities later to facilitate greater public participation. We fully support participation from the business sector and we hope that one or two historical buildings can be identified in future for revitalization by the business sector using their creativity.

Moreover, I would like to talk about lowering development density. Mr FUNG urged us not to put so much stress on money. In fact, lowering development density precisely involves the question of finance, for land in Hong Kong is indeed very valuable. However, we have already departed from the policy mentioned by Mr Alan LEONG of maximizing the proceeds from land as our prime objective. The fact that the billions-worth site of the Former Police Married Quarters at Hollywood Road has been taken out from the Application List and the possible losses arising from the review of the development project at Nam Cheong and Yuen Long Stations have demonstrated this new mindset. But certainly, it is still necessary to strike a balance because I think in the third and fourth sessions of the debate, Members will be asking the Government to increase spending on education and welfare which are of concern to Members.

On the wall effect over which Ms Audrey EU has expressed concern, there has yet been any definition which is completely scientific. The wall effect is subject to many factors and so, there can be many different solutions. The problem can be properly addressed through assessment of air circulation, design, orientation, and also the shape and layout of the construction site, and so on.

Next, the third area of work is the Greening Master Plans (GMPs). In response to the several Members who have spoken on the GMPs, especially in relation to the extension of GMPs to the New Territories, I think Miss CHOY So-yuk's views are more objective than those of Mr WONG Kwok-hing. We have not discriminated against the New Territories. Rather, we have taken on board the views expressed by the Chairmen of various District Councils during the consultation exercise conducted last year by extending to the New Territories greening work originally planned to be carried out only in the developed urban area. As greening in the New Territories will require two times more funding than that for greening in the urban area, \$1 billion has been earmarked for implementing GMPs in the New Territories. As long as my colleagues are

ready in terms of manpower, I will be more than happy to expedite the relevant work, for this will greatly benefit local employment. As greening is not confined to planting trees, the Government is currently conducting studies afresh on whether landscape architects should play a more active role by taking up the design of the whole city.

In respect of infrastructure projects, apart from the GMPs which can contribute to the objective of a quality city and quality life, there are actually many other quality infrastructure projects, such as the cycle tracks, replacement of water mains, and the decking of nullahs. Miss CHAN Yuen-han held different views on the decking of one of the nullahs and so, I will discuss the work at the Kai Tak nullah with her later. As we are now financially robust, the cost that we are paying to really demonstrate the quality life that we have created for the people is well worth it.

Finally, Mr WONG Kwok-hing mentioned the problem of unauthorized structures. As there are hundreds of thousand unauthorized structures, it is immensely difficult to complete work in this regard within a short time. However, we will table before the Legislative Council an amendment bill to amend the Buildings Ordinance. The objective is to put in place a system whereby minor works that might otherwise be carried out as unauthorized works before will not be considered as unauthorized.

Here, I am glad to tell Members that the Buildings Department received this year's Grand Award at The Ombudsman Awards Presentation Ceremony yesterday. The award was given to the Buildings Department for it has demonstrated untiring efforts in improving services and in recent years, the Department has endeavoured to reduce unauthorized building works and taken positive actions to follow up complaints. So, I hope Members will continuously support the Buildings Department as well as other areas of work of the Development Bureau.

Thank you, Madam President. I so submit.

**SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT** (in Cantonese): Madam President, being a quality city and with the aim of enhancing the quality of life of the people, Hong Kong needs to have good creative industries. Creative industries cover a great variety of areas such as movies,

television, comics, design, architecture, urban planning, culture and the arts, as well as digital entertainment, and so on.

Achieving success in the development of creative industries can propel economic development. As Mr SIN Chung-kai has said earlier, creative industries are high value-added industries. Members may not be aware of the fact that the turnover of the comics industry in Hong Kong is more than \$1 billion and it has a high standing in the world, especially Asia.

It is precisely because of this that the Chief Executive proposes in his policy address that the pace of the development of the Hong Kong creative industries be speeded up and Hong Kong be turned into a "creative capital".

In order that the support given by government departments to various creative industries can be effective, so that resources can be pooled together for more focused work, the Chief Executive has decided to assign the Commerce and Economic Development Bureau to oversee the co-ordination and development of creative industries in Hong Kong. We shall commence with the relevant work in the near future. First, we shall set up a cross-sector steering committee to be chaired by the Financial Secretary. They will draw up overall strategic plans for future development, an action agenda and manpower training in collaboration with industry representatives, non-governmental organizations and professional bodies.

Certain sectors such as film-making have received government funding. Earlier on, the Government has earmarked an additional funding of \$300 million to support the production of small and medium-size movies. The Film Development Council was set up to help revive the Hong Kong movie industry. In order to reinforce Hong Kong's brand and position as an international hub of creative design, we have injected \$100 million to finance the operation of the Hong Kong Design Centre. With the setting up of the cross-sector steering committee, we will engage in a full-scale examination and planning of government strategies to promote the local creative industries. Through the development of the local creative industries, it is hoped that the economy of Hong Kong can be given a boost.

One of the projects among the 10 major infrastructure projects proposed by the Chief Executive in the policy address is to build the West Kowloon Cultural District (WKCD). As the Chief Executive says, the WKCD will

spearhead the promotion of the cultural and creative industries in Hong Kong and it will imbue momentum to the future development of the local creative industries. Apart from building state-of-the-art cultural and arts infrastructure, it is equally important to give support to software in cultural development. Therefore, the training of talents is certainly one of the strategies devised to promote the local creative industries.

In order that the creative industries can be promoted, there must be a suitable environment and proper conditions. Of great importance is the protection of intellectual property rights. We must have a clearly defined policy on this and laws and regulations that can effectively protect intellectual property rights, in order that creativity and innovation can be given an impetus to take forward the development of creative industries. The Government will continue with its efforts to protect intellectual property rights by a number of ways, including the enactment of sound laws and regulations, law enforcement actions and continued public education.

We will review our laws from time to time to ensure that they can keep up with the latest developments. In the Copyright (Amendment) Ordinance 2007 enacted in July this year, further improvements have been made to the protection of copyright. For example, introducing lease rights for movies and comics so that copyright holders can collect royalties from the relevant lease activities. These will help build an environment which is conducive to the development of the creative industries and the investment environment. We are now taking follow-up actions and steps taken include publicity and education efforts and enacting relevant subsidiary legislation.

At the same time, we are looking into how copyright protection can be enhanced in the macro environment of the digital era. We are conducting a detailed analysis of views from the public collected in the first half of this year and we plan to put forward our initial recommendations at the beginning of next year to seek public consensus.

With respect to public education, we will continue to encourage consumers to respect intellectual property rights and use only genuine products and stop using counterfeit or pirated editions. We will also enhance as a key effort among the business sector promoting of laws protecting intellectual property rights. Through publicity and education efforts and the provision of professional consultation services, it is hoped that enterprises, in particular the



small and medium enterprises, can manage their software properties in a proper manner and in compliance with the intellectual property laws.

The most direct support given to the local creative industries sector is to help it open up the mainland and overseas markets. In mid-November I shall lead a cross-sector deputation comprising representatives from a wide variety of sectors such as design, architecture, urban planning, culture, film and television, animation and comics, digital entertainment, and so on. We will go to Shanghai to take part in a large-scale international trade fair for creative industries and we hope to secure business opportunities for the local industries in the mainland market.

Members will know that the theme of the World Expo 2010 to be held in Shanghai is "Better City, Better Life". We are presently exploring how creativity from Hong Kong can be demonstrated to the world through our participation in the World Expo.

Lastly, I believe Members will agree that the creative industries are a part of our life and we hope Members can give us more views on them. I notice that Members have debated for five hours in this session, but less than 15 minutes have been devoted to discussions on the creative industries. I hope Members can tell us more what they think for it is only with concern and support from the Legislative Council, the relevant sectors and the public that we can achieve anything.

Thank you, Madam President.

**SECRETARY FOR FOOD AND HEALTH** (in Cantonese): Madam President, ensuring food safety is a prerequisite for optimizing the quality of life of the people, and it is also a key task of the Food and Health Bureau. I am going to talk about the work of the Government in preparing the Food Safety Bill and the introduction of the Nutrition Labelling Scheme. As winter is approaching and Hong Kong is entering the peak outbreak season of avian influenza, I shall talk about the measures the Government will adopt in combating avian influenza; and I shall also talk about the design of the central slaughtering plant in Hong Kong.

Strengthening food safety control is both a global trend and a public demand. In this regard, we shall formulate a Food Safety Bill and conduct a

comprehensive review of the existing food safety legislation in Hong Kong; and in the meantime, we shall introduce new food safety measures. This will provide a comprehensive legal basis for ensuring food safety.

The Food Safety Bill will introduce a comprehensive registration scheme for food importers and distributors. Under the new legislation, importers and distributors will be required to maintain proper transaction records of imported food, so that in the event of a food incident, the sources and points of sale of the food concerned can be traced by the Government swiftly and thoroughly and measures can be taken to prevent the problem food from finding its way into the market.

Furthermore, under the new legislation, when a particular food brings about serious impact or constitutes a serious threat to public health, the authorities will be empowered by the legislation to require all importers, distributors and retailers to stop importing and selling the food concerned. The new legislation will also require importers and distributors to recall the food concerned when recall orders are issued by the Government.

It is expected that we shall be able to table the legislative proposal to the Legislative Council by the end of the year and after the completion of the relevant consultation, we shall table the bill in the 2008-2009 Legislative Session. This is a piece of very complicated legislation which will affect many stakeholders and the trade. We will have to spend some time consulting the trade, and therefore, we are afraid we may not be able to accede to the demands made by some Members for tabling the bill within the current Session. However, we shall explain all our concepts and the gist of the legal provisions we are preparing to enact within this year. Meanwhile, on the administrative front, we shall also introduce certain administrative measures. As Mr Vincent FANG has mentioned just now, we have worked with the mainland authorities and implemented many new measures within the year, particularly those concerning eggs, fish and vegetables. We believe these measures will better protect the health of the people. In the meantime, the currently high food prices will by no means deter us from making efforts to ensure food safety protection. We have to strike a balance in this area of work, and at the same time, we have to curb the importation of food into Hong Kong through illegal channels.

With regard to the Nutrition Labelling Scheme, Mr Tommy CHEUNG kept talking about problems of communication with the Government. In my

opinion, there are proper channels for Members to communicate with government officials, and we could discuss anything, anytime. Insofar as nutrition labelling is concerned, we have already briefed the representatives of different political parties. Of course, I am aware that our colleague was late in giving notice to Mr CHEUNG, and our colleague has already apologized to you. I also tender my personal apologies in the previous panel meeting. I hope Mr CHEUNG will stop whining and feeling bitter about that all the time. That is not constructive at all in promoting communication and building up mutual trust.

**PRESIDENT** (in Cantonese): Mr Tommy CHEUNG, do you have a point of order?

**MR TOMMY CHEUNG** (in Cantonese): President, I would like to clarify the part of the Secretary's earlier speech related to my comments.

**PRESIDENT** (in Cantonese): In that case, you may make your clarification only after the Secretary has finished his speech.

**MR TOMMY CHEUNG** (in Cantonese): Fine.

**PRESIDENT** (in Cantonese): Secretary, please go on.

**SECRETARY FOR FOOD AND HEALTH** (in Cantonese): OK. We have arranged a time to meet with Mr CHEUNG to discuss in person the work of the committee. I have also arranged a meeting with the Liberal Party, and I hope Mr CHEUNG will also consider attending that meeting by then.

In addition to ensuring food safety, we shall enact a food labelling law to help consumers make informed choices, gain knowledge of the ingredients of the food they purchase, and protect their health. Meanwhile, the legislation will also regulate misleading or deceptive labels and claims in order to protect consumers' interests.

Having considered international practices and the concerns and views of members of the trade and stakeholders, our current proposition is that all prepackaged food products, regardless of whether any nutrition claim is attached to the product, must attach labels on their packages stating the amount of energy and six core nutrients, namely, protein, carbohydrates, fat, saturated fat, sodium and sugar. The requirement for labels with energy and six core nutrients will be implemented in a single phase, not in different phases. However, a grace period of two years will be given to assist the trade in adapting to the regulation.

Apart from the six core nutrients stated above, our attention has been drawn to the strong concerns expressed by the public and Members of this Council on the adverse effects of trans fat. Research findings indicate that the consumption of trans fat increases the risk of cardiovascular diseases. Saturated fat, one of the six core nutrients mentioned above, increases the content of bad cholesterol in blood and causes coronary heart diseases. Trans fat is even more harmful. In addition to increasing the amount of bad cholesterol in blood, it can even reduce the amount of good cholesterol.

Therefore, some countries and regions like the United States, Canada, South America, Argentina and Israel have included trans fat in the core nutrients for which mandatory labelling is required. The European Union will also consider views in this regard by the end of the year. In finalizing the Nutrition Labelling Scheme, reference will be drawn from overseas experience, and the general public aspirations for regulating the labelling of trans fats will be taken into consideration. Meanwhile, we shall also seek the general approval and support from members of the trade.

Food with which a claim is made will be required to label detailed information and the contents for which the claim is made. Labels such as low fat, low cholesterol or high calcium must not be used indiscriminately.

We shall submit the final proposal of the Nutrition Labelling Scheme to the Panel on Food Safety and Environmental Hygiene for discussion by the end of the year, and we plan to submit the revised proposal to the Legislative Council in early 2008. We shall continue to listen to the views of stakeholders with a view to enabling consumers to make informed choices and strengthening the health of the people.

We understand that the labelling control will, to a certain extent, reduce the types of food being imported into Hong Kong. However, on the premise of protecting public health and consumer interests, we believe the public will agree that it is justifiable to make some sacrifices in this regard. Successful businessmen like Mr Vincent FANG know all too well the importance of brands, which must earn the trust of consumers. I believe, in this regard, we can adopt a direction agreed by all the parties. Certainly, we would also like to minimize any inconveniences so caused.

Regarding the prevention of avian influenza, we have put in place a comprehensive avian influenza preventive and surveillance programme in Hong Kong since 1998. An opt out package for poultry farmers to surrender their licenses/tenancies voluntarily was concluded in late 2006, and a backyard poultry keeping ban has been imposed with a view to reducing the risk of the outbreak of avian influenza among local poultry. This measure also reduces the risk of people catching avian influenza through contact with poultry. Drillings for this health care protection system are carried out frequently to ensure that we have the adequate capability in handling cases of human infection of avian influenza.

Although there has been no local case of avian influenza infection since 2003, sporadic cases of high pathogenic avian influenza outbreak in neighbouring regions have been reported, and bird carcasses with avian influenza virus have been discovered in our winter season. This is circumstantial evidence adequate for testifying that the threat of avian influenza in Hong Kong has remained unabated. We must not lower our guard, and we must maintain a high degree of alertness at all times.

We shall continue to implement comprehensive control and regulation on all occasions on which the public may have contact with live poultry, including regular inspection and surveillance on local farms and mainland farms supplying food to Hong Kong, in an effort to ensure that all biological safety measures are strictly enforced at all farms. We shall also observe our schedules closely in arranging rest days for wholesale and retail markets. Government departments, including the Customs and Excise Department, the Police Force, the Agriculture, Fisheries and Conservation Department, and the Food and Environmental Hygiene Department will continue to monitor closely the importation of birds, with stepped up co-operation to combat illegal importation of birds into the territory. We have been maintaining close communication with countries/territories within the region including the relevant mainland authorities

to ensure that we shall always keep ourselves informed of the latest development of avian influenza and be able to respond to any such news correspondingly.

To attain the objective of separating human beings from live poultry, we shall set up a poultry slaughtering and processing plant in Hong Kong, and we shall continue actively making preparations for this. This policy has received general support from the majority public and Members of this Council. At the meeting of the Panel on Food Safety and Environment Hygiene held on 12 October, I already gave an account of the latest progress of the proposed slaughtering plant. We have also indicated that in addition to producing "chilled chicken", the poultry slaughtering plant will be allowed to produce "freshly slaughtered chicken" for the market. Some Members expressed concern in the said meeting, wondering if the operator of the proposed poultry slaughtering plant might monopolize the entire poultry trade and could levy excessive service charges. In this regard, I would like to give more comprehensive responses to these questions now.

First of all, I would like to say that the major business of the slaughtering plant is to provide poultry slaughtering service to clients, namely local poultry farmers, importers and buyers, and to produce "chilled chicken" or "freshly slaughtered chicken" as requested by the clients. If the operator of the poultry slaughtering plant intends to run a business in poultry trading at the same time, prior approval from the Government has to be sought. Furthermore, we shall consider adding a provision to the effect that, without any legitimate reason, the operator could not refuse to provide poultry slaughtering services to members of the trade. The operator could not accord priority to the slaughtering of poultry that he has purchased either. Uniform slaughtering service charges are levied, which must not vary discriminately. Prior permission from the Government would be required for adjustment in service charges. All these measures are designed to help ensure the proper and fair operation of the slaughtering plant and they would be able to pre-empt monopolization or excessive charges.

We understand that the measure of central slaughtering will cause certain impacts on members of the poultry trade. However, we believe the arrangement of producing "freshly slaughtered chicken" will provide more business opportunities to members of the trade and reduce the impact caused to them by central slaughtering, because "freshly slaughtered chicken" is more compatible with the eating habit and the appetite of the local people. We are

also studying measures to assist those who are directly affected by the initiative to transform correspondingly, including the provision of appropriate financial support for the procurement of necessary equipment to help them engage in the wholesaling, retailing and transportation of "freshly slaughtered chicken" or "chilled chicken" in the future. Once the study is completed, we shall conduct a consultation with members of the trade.

I hope Members of this Council and members of the trade can understand this: That it is in the overall interest of Hong Kong people that we need to build a slaughtering plant to attain the objective of separating human beings from live poultry, thereby substantially reducing the risk of further outbreaks of avian influenza. The drafting of the legislation is in progress, and it is hoped that we can table the bill to the Legislative Council early next year and that the open tendering process can be commenced in the middle of next year. It is estimated that the slaughtering plant can be commissioned by 2011 at the earliest.

Madam President, I so submit.

**SECRETARY FOR HOME AFFAIRS** (in Cantonese): Madam President, from yesterday afternoon to the whole of this morning, many Members have spoken on matters relating to the section of "Quality City and Quality Life" in the policy address.

A quality life in a quality city needs cultural substance. The objective of the cultural policy of the SAR Government is to foster an environment conducive to the freedom of expression and creative endeavours in the arts, encourage public participation in cultural activities, nurture creativity and give it ample chance of expression. The proposals on developing the West Kowloon Cultural District (WKCD) was made public last month. Yesterday Miss CHOY So-yuk said that the project had in general gained the support of the public and it was hoped that the project could commence soon. I also learn from the newspaper that a number of well-known figures in the Hong Kong cultural circles have co-signed an advertisement to express their explicit support for the WKCD project. The primary objective of building a cultural district in West Kowloon is to enable Hong Kong people to lead a quality life and promote the development of the cultural and creative industries in Hong Kong. As a matter of fact, we need more performing and exhibition venues. Since the WKCD will serve practical functions, the facilities built there will not become a white elephant.

We are working in collaboration with the arts and culture sector to take forward measures to enhance the development of the cultural software. Cultural development is not limited to the West Kowloon project, we will open up more performance venues and space in areas other than West Kowloon so that local workers in culture and the arts can give full expression of their talents and enable the public at large to come into close contact with and take part in cultural and arts activities.

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

At present, we put in about \$2.5 billion a year as recurrent expenditure and through the Leisure and Cultural Services Department, public libraries, museums, performance auditoria and such like cultural facilities are provided, and various kinds of cultural programmes and arts education activities are organized. All these are meant to give an impetus to cultural, artistic and creative endeavours in society. Also, through subsidies made to professional performance troupes, and the day-to-day work of the Hong Kong Arts Development Council and the Academy of Performing Arts, art groups, creative talents and a discerning audience can be nurtured.

I would like to point out that cultural and arts activities should not be only limited to those organized by the Government; there should be more public participation. The business sector and enterprises should be encouraged to lend more support to culture. An example is the substantial commitment from the business sector to the Arts Festival held each year. The situation is like the Medici family of merchants whose patronage of the arts contributed to the great achievements of Renaissance Europe. The Medicis have since been remembered in history. In this modern age, examples of commercial patronage of culture and the arts are numerous. Many successful businessmen in Hong Kong are willing to pay back to society. An example is the six charitable organizations in Hong Kong which for so many years have provided free medical services, built schools and assisted the poor. They have made so many contributions to advance the cause of public welfare. Now in Hong Kong the way to pay back to society should also include patronage for the development of arts and culture here. We hope more businessmen in Hong Kong will become patrons of arts and culture.



Apart from arts and culture, sports are also a means that can be taken up by members of the public to raise their quality of life. Some Members have pointed out that quality life starts from a healthy life. Next year our country will host the Olympic Games and Hong Kong is fortunate to co-host the equestrian events. Then in 2009 we will host the East Asian Games. All these have provided excellent opportunities for our work in sports. The SAR Government will continue to inject resources to launch more facilities conducive to sports development. We will unite efforts from all strata to move in the direction of achieving the triple objectives of making sports popular, developing elite sports and hosting big sports events. These are expected to boost the development of sports here. As mentioned in the policy address, to encourage public participation in sports, the sports and recreational facilities managed by the Leisure and Cultural Services Department will be made available for public use free of charge from 1 July to 30 September next year.

In order to promote the Olympic spirit and sports among the public, we need to apply for additional funding from the Legislative Council to enable us to hold territory-wide activities for public participation next year as well as for publicity and promotional work both in Hong Kong and overseas. We will consult the Panel on Home Affairs next month on funding matters and start with the application procedures. We hope that Members can give us their support.

Thank you, Deputy President.

**DEPUTY PRESIDENT** (in Cantonese): The second debate session ends. Mr Tommy CHEUNG, do you wish to seek a point of elucidation?

**MR TOMMY CHEUNG** (in Cantonese): Secretary Dr York CHOW referred to my remarks just now, and I think it is necessary for me to make a clarification. Deputy President, I wish to clarify my remarks and correct his misunderstanding.

Deputy President, when I spoke on nutrition labelling during the second debate session, I only said, "Honestly speaking, I am gravely disappointed that the Food and Health Bureau did not take any initiative to approach Honourable Members (especially the representatives of the trade) to explain its policy this time, but has instead flown balloons in the media." However, the Secretary simply spoke as if I had never tried to approach him. He even remarked that his

doors were always open. I never said anything like that. I then went on to say, "I wonder if the Administration is genuinely sincere in consulting the trade to seek an agreed solution to the problem. Or, is it merely listening without taking any actions, or simply shutting its ears and insisting on its way?" Therefore, I think that when he accused me of whining, of being reluctant to communicate with him, he was just lying and talking nonsense.

Therefore, Deputy President, I must make a point of clarification concerning the Secretary's remarks just now. I have never said that it is impossible for me to communicate with him .....

**DEPUTY PRESIDENT** (in Cantonese): You have already made your clarification. We now proceed to the third debate session. The policy areas for this session are "manpower, welfare services, social enterprise, family matters and allocation of public resources".

**DEPUTY PRESIDENT** (in Cantonese): Members who wish to speak will please press the "Request-to-speak" button to indicate their wish.

**MR LEE CHEUK-YAN** (in Cantonese): Deputy President, in this debate session, I wish to discuss the policy areas of manpower and welfare services. I think one very important point is that the notion of "Progressive Development" expounded in the policy address can actually be described as "Trickle-down Development". The overall mentality of the Government is to make a bigger cake. But with its sole emphasis on development and total disregard for redistribution of wealth, the fruit of economic prosperity will only be reduced to a kind of benefit exclusive to a handful of people. To most people, life is just like perpetual waiting under a funnel. They can only wait and wait, and if they are lucky enough, they may be able to lap up what little something that trickles down from the funnel. Such a mode of development will do harm to and produce negative impacts on people's livelihood in Hong Kong as a whole. People who have worked hard to make contribution to Hong Kong will also be deprived of the fruit of prosperity.

How does the policy address tackle our greatest concern? Even the Government now admits that one of the greatest problems faced by our society is

the difficulty in enabling all to share the fruit of prosperity. In point 3 under paragraph 11, some solutions are set out. But I am of the view that he has mixed the remedies for headache and sore foot. All the proposed measures are not the proper remedies and thus cannot cure the diseases. For example, the whole problem is just very simple, all about poverty. But how does the Government seek to tackle poverty? In a bid to deal with this problem, the Government has proposed to offer assistance to the families concerned or to tackle inter-generational poverty. I am not saying that there is anything wrong with offering assistance to families in need. Well, when a person is battered by headache, one may massage his feet as treatment, and this will not be entirely useless. But the point is that such treatment will not cure his headache.

We must realize that in order to successfully tackle the poverty problem, we must not rely solely on the provision of family assistance. Most importantly, we must find out why people are poor. Admittedly, when a person is jobless, the problem will be solved if we can find him a job. This is only correct. And, I do not oppose infrastructure construction and the provision of retraining and job-seeking assistance either. But can there be any improvement after the person has got a job? The greatest problem is that even though the person has landed a job, even though he works very hard for eight hours, 10 hours and even 12 hours, he will still be unable to feed his family. Therefore, the greatest problem is that wages are low. But once the problem of low wages and low income is mentioned, all in the Government will immediately prevaricate, not daring to utter even a word.

That day, during the discussions of the Commission on Strategic Development on the provision of assistance to families in need, I pointed out that the whole document ..... Poverty is actually the cause of many miseries in a family, so it is most important to raise family income. This is the most important thing. However, they said nothing at all on this. They just talked about the provision of more social services to such families. Jobs are the most important thing to such families. These people want to earn their own living, but their jobs cannot enable them to support their families. Why do the authorities not try to tackle the problem of low income? This is the general mentality of the Government. It does not dare to deal with low income, the very crux of all the problems. And, its attitude towards the low-income group is one of leaving them to perish on their own.

I can of course foresee what the Secretary will say in response. He will certainly talk about retraining in his reply. The reason is that one day, when Mr

LEUNG Yiu-chung told him that a very poor man could only find a job in a fastfood shop, he immediately commented that the man should receive retraining. If retraining can indeed greatly increase one's employability, it will all be very wonderful. But if he cares to search ..... I am not trying to belittle the significance of retraining, but if he cares to examine the relevant figures ..... What kinds of jobs can one find after receiving retraining? They are bound to be jobs such as security guards, cleaning workers and domestic helpers. Do the authorities think that these jobs can give them very high incomes? Employees engaged in these occupations are similarly poor, so people taking up these jobs after retraining will also be very poor. The reason is that currently, the basic kind of retraining only aims to assist people in switching occupations. Such training does not cover any advanced vocational skills. Therefore, even retraining cannot help all these people.

Secretary, I think you should know the answer I have in mind. What I have been fighting for, what I have been advocating and what I have been pointing out is that in the world, there are only two solutions to the problem of low income. The first one is the enactment of legislation on a minimum wage. The Secretary will surely answer that the current approach is something like "walking on two legs". He will certainly claim that on the one hand, a wage protection movement has been implemented, and on the other, advance preparations for the enactment of legislation are also underway. Furthermore, he will add, the interim review will soon be conducted and the final review will be carried out next year. I know the Secretary will surely reply in this way. But I wish to say to the Secretary that ..... Just how long does he want the low-income people to wait? All this will mean ..... Well, actually, he should have nothing to do with all this. The Chief Executive should be held responsible. The Chief Executive insists that a review should only be carried out two years later. I think there is only one reason for his insistence — he does not want to lose face. Since he has already said that it should be two years, he insists on following up the matter for two years. Once he has said that it should be two years, he will not change his mind. Even though we say that one year may be better, he still says no, insisting that it must be two years. He does not want to lose face. But how many people will suffer as a result? The low-income group can only keep on waiting.

The second major problem is that the future legislation to be put forward by the Secretary will cover two trades only. We do understand that as a start, if we can confine the legislation to just two trades, we can reduce the resistance of the business sector. Sometimes, we do feel that this is alright, and the

Confederation of Trade Unions may have to make a compromise, because we must make a start somehow. However, I am not talking about the question of strategy now. My concern is justice, about right and wrong. Come what may, I must say that they are wrong. Justice is obviously not on their side. With the exception of some backward African countries which still confine minimum wages to certain trades, all countries in the world with minimum wage standards are now offering such wage protection to all trades. The aim is to ensure that no nationals will be rendered unable to support their families. It is hoped that uniform wage protection for all trades can help people to shake off poverty. This approach is adopted in the whole world. If the Government does not listen to reason, does not consider this idea, or if Chief Executive Donald TSANG does not want to do any thinking, if he is only prepared to do the easy thing, saying that this is pragmatism ..... Well, in the case of universal suffrage, they similarly claim that they are being pragmatic and describe everything they do as pragmatic. But as I frequently point out, their "pragmatism" is nothing but equivocation. They simply do not dare to tackle the difficulties. They will just sweep all thorny issues under the carpet. They will cringe in the face of difficulties. Such is the current attitude of the Government.

Deputy President, the second solution is the introduction of negative income tax. Professor KC CHAN may need to give some thoughts to this idea. This proposal has nothing to do with any leftist or rightist ideologies. I am just talking about negative income tax. The rationale is that in case a person still fails to support his family even though he has a job, he should be entitled to compensation. Such a system can be found in both the United Kingdom and the United States. In the United States, it is called Earned Income Tax Credit. In the United Kingdom, it is referred to as Working Tax Credit. They both mean just the same thing. In any case, a certain line is drawn. People whose incomes are above this line must pay income tax. And, the government is to pay a tax subsidy to people whose incomes are below this line. This is referred to as negative income tax, which is in fact a form of subsidy. The rationale is to encourage people to work. Once people work, they are entitled to this subsidy. The subsidy is not the same as Comprehensive Social Security Assistance (CSSA). People need not apply to the Social Welfare Department. Payments are made by the Inland Revenue Department. This is a most satisfactory system. However, although we have been advocating this for many years, our Government has not given any reply so far. I think the reason for this must be the Government's very limited concern about the low-income group.

I wish to raise one more point on "mixing up the remedies for headache and sore foot". It is obvious that many people face one big problem — the lack of time to look after their children and families. But what is the prescription he proposes? The provision of family services. Actually, we must, most importantly, make sure that people can spend more time with their families. However, he simply ignores the issue of working hours. People simply cannot strike a balance between their jobs and families, so if nothing is done to tackle the issue of working hours, any efforts to provide welfare services, however strenuous, are bound to be pointless. What is most important is that people can spend time at home to discharge their responsibilities as parents. Chief Executive Donald TSANG once advised every family to have three children. If people must work very long hours on a regular basis, how can they have the courage to do so? If a person must always work long hours and thus does not have any time for his family, he should be rightly worried that others will criticize him for being irresponsible, for still giving birth to a child. His worry is justified, but this is also something that is really happening in society.

Every job requires 12 hours of work a day. Every job requires overtime work with no compensation. People must go to work at 8 am, not knowing when they can be off duty — 10 pm or even 11 pm, maybe. However, the Government has not taken any actions. Once this issue is mentioned, the Government will argue that the remedy is to negotiate with enterprises, saying that they should discharge their corporate social responsibility. But this is no different from asking a tiger for its hide. If the authorities do not enact any legislation, the problem can never be solved.

Therefore, Deputy President, I really hope that the Government can now start to make advance preparations for the enactment of legislation on a minimum wage. Perhaps, let us not talk about any immediate enactment of legislation. But at least, preparations must now be made. We must set the standard working hours at 44 a week. Any hours in excess of this must require the payment of overtime compensation. All is so simple. We do not want any more overtime work with no compensation. We do not want any employers to abuse their employees, rendering them unable to go home.

Regarding the second solution, we may follow the example of the relevant legislation in the United Kingdom. In the United Kingdom, the law requires that every employee must be entitled to 11 hours of rest. In other words, if an

employee works until 12 midnight, he shall go to work again only at 11 o'clock in the morning. This can strike a balance, in the sense that employees can recover their strength, receive fair treatment and do not have to working long hours. I hope that the government officials sitting behind the Secretary can also live that kind of life. What I mean is that I hope they will not have to work until midnight every day and then go to work again as early as eight o'clock in the morning.

Deputy President, it is a pity that although the Government has promised us to handle the issue of working hours, it has once again started to ..... The Secretary will have to admit that ..... It has started to fall back. It no longer dares to talk about standard working hours, and it now wants to tackle the issue of minimum wage first. In other words, the Government is not going to do anything about working hours. Incidentally, I may as well make one proposal here. Even if the Government does not dare to hunt the big tiger now, it may still take one action immediately. It may treat labour holidays as public holidays. That way, all employees will be entitled to 12 days of labour holidays and 17 days of public holidays. Having worked hard, employees can then enjoy some holidays. In a way, there will be a carrot before them. After working hard, they may then take a rest. All is so simple. This is something that can be done immediately. I think the Secretary should really give some thoughts to the idea.

The third problem is that grass-roots workers are unable to share the fruit of prosperity. Deputy President, I do not know whether there is any theoretical support for the argument that the launching of infrastructure projects will lead to wage increases, nor do I know whether this can achieve any practical effects. The launching of infrastructure projects may not necessarily lead to wage increases. A good example is the case of steel fixers. They had to go on a strike before their wages were raised. With collective bargaining, wages will increase. I therefore think that the only means through which grass-roots workers can be enabled to enjoy the fruit of prosperity should be collective bargaining. It is only with collective bargaining that workers can really enjoy the fruit of prosperity.

Deputy President, concerning welfare services, I wish to say a few words for the elderly. I must air grievances for them. The Chief Executive claims that he cares for the elderly. But if he really cares for them, he must take concrete actions and spend money on them. People can only observe that he

cares for the very rich, because he has actually proposed to give them \$5 billion. If he really cares for the elderly, why is he so mean when he is just asked to give them \$250 each? If he really cares for the elderly, why doesn't he increase the fruit grant? What is more, the CSSA rates for the elderly have been reduced by 11.6%, so why aren't they restored to the levels in 2003? He has done nothing in regard to all these basic needs of theirs. He has done nothing to tackle the issue of a territory-wide pension scheme. He has done nothing at all. How can he still claim that he cares for the elderly?

Deputy President, finally, I must warn the Government. If it continues to ignore the livelihood of grass-roots people and allow the development towards an M-shaped society, where the middle strata all sink to the bottom, there will surely be no social harmony and stability. The bomb in society will go off sooner or later. Thank you, Deputy President.

**MR ANDREW CHENG** (in Cantonese): Deputy President, the Chief Executive says in paragraph 2 of the policy address that Hong Kong economy is back on an upward trend, the unemployment rate has dropped, registering rapid growth over the past 15 quarters and the community at large is feeling more prosperous. However, the epithet of a city of sadness that we like to describe the place we live is still glaringly true in the midst of all this peace and prosperity. In no way is it diminished. The Gini Coefficient shows that the wealth gap has got wider and not closer. The pathetic thing is that while the macro conditions show the stock market scales new heights, some people wallow and frolic in easy money and as inflation surges and hits new heights, the poor are finding life harder than ever. It is pathetic to see parents toil from day to night and family life is hollow and non-existent. It is pathetic also to see deplorably low hourly wage paid, the poor get poorer while the rich get richer. These are what constitute pathos behind the façade of prosperity in this city of Hong Kong. It worries people so much. Nothing can tone down the pathetic sentiments that we have experienced and the pain is felt more acutely against a backdrop of apparent boom and prosperity.

One of the subheadings of the policy address is "Investing for a Caring Society". I am afraid this is no more than just a slogan. For after all the Chief Executive is blind to a problem that is pestering all the people of Hong Kong, and that is, excessively long working hours. As we all know, it is commonplace for white collar workers to work every day until seven o'clock or eight o'clock in the



evening. People stay late in office and leave late in order to please their bosses. This is what is happening to the white collar workers. The situation is even worse in the case of the lower strata in society. According to the "Quarterly Report of Wage and Payroll Statistics" for the second quarter of 2007 published by the Census and Statistics Department, the "miscellaneous non-production workers" such as general workers, cleansing workers and security guards, and so on, work an average of eight to 11 hours a day and 26 days a month. Also, findings of a survey on the balance between life and work of working adults conducted by the University of Hong Kong Public Opinion Programme commissioned by Community Business show that in 2007, the average weekly working hours of employees are close to 50. This is an average. In other words, many people work for more than 50 hours in practice. The proportion of work and life is 83:17. Findings of the survey also show that those employees with less income work longer hours. It can be imagined that each evening after they have finished work, there would not be much time spent with the family after the time spent on eating and sleeping is deducted. It is hard to expect any communication between family members. The call to place family as a core value is in practice no more than empty talk because parents have to work for more than 10 hours a day.

This is not the first time I call for the enactment of legislation to protect workers and prevent them from working excessively long hours. But what the Government has done is only to make civil servants work five days a week. The Chief Executive still has not said anything on this issue in this year's policy address. In the meeting of the Manpower Panel on 18 October, the Secretary even stated that the Wage Protection Movement had to a certain extent protected the working hours of the cleansing workers and security guards, for the number of working hours would come under regulation at the same time when wages were determined. But I would like to point out that there is no regulation on working hours in the Wage Protection Movement and even if an employer requires his employees to work longer hours than those specified in the contract or ask the employees to work overtime without paying them any compensation, the employees would not dare to refuse for the sake of their jobs. How then can the Wage Protection Movement ensure that working hours would not be excessive? Conversely, to legislate on standard working hours is in fact ensuring that workers will not work beyond a certain statutory number of hours a day and they will get overtime compensation for overtime work done. So I implore the Government once again to legislate immediately on working hours and require that working hours for a week shall not exceed 44 hours and

overtime work should be remunerated at no less than 1.25 times of the normal wage. This will give employees real protection in working hours. Moreover, many of our neighbouring cities and numerous countries in the world do have statutory protection in standard working hours.

Deputy President, on the Wage Protection Movement, the Government will soon undertake a mid-term review of the Movement and if it is found that the Movement is not making good progress, it would start with the advance legislative work on minimum wage. The question of whether or not the Movement is effective remains to be decided. Leaving aside the question of the number of companies which have joined the Movement and the number of companies among them which have long been paying the minimum wage before joining the Movement, the latest figures do show that under the Movement, the average hourly wage for security guards is only \$27.3, ordinary cleansing workers get \$25.1 and toilet cleansing workers get the least, that is, \$21.4. The situation is really that of wages falling to hit new lows. Security guards and cleansing workers are already those protected by the Movement, but the wage they get is still very low. Other low-pay jobs, such as those working in fast-food chains or delivery workers in bistro cafes, I believe their wages are even lower than those of the security guards and cleansing workers. So I cannot say that the Movement will offer any effective protection to workers so that they can be paid reasonably.

The Government should explore the viability of minimum wage as applied to specific trades or work types. But it is making delays and will only undertake a full-scale review in 2008, and legislation to impose a minimum wage would only proceed provided that findings of the review show that the Movement is not satisfactory. This is only delaying the matter. It is precisely because of the Government's delaying tactic that 430 000 low-income families in Hong Kong are denied protection of their income. This is adding another pathetic element to Hong Kong behind its glittering splendour, and it is so worrying.

So Deputy President, I hope that the above demands can make the Secretary see the point that there must be no more delays. I believe the figures that I have just cited can tell the Secretary that the review has shown that this Wage Protection Movement is a total failure. It is my wish that you can legislate on standard working hours as soon as possible. I hope the Secretary can be bold enough in this. In the past, you have done a lot for the labour sector but on this issue of standard working hours, you did not give any reply to my

question raised at the panel meeting. It may be due to the time constraints. When you are to give a response later, I hope you can give an account to us on this question of standard working hours.

Deputy President, I so submit.

**MS LI FUNG-YING** (in Cantonese): Deputy President, at the beginning of this month the Chief Executive delivered the first policy address of the Third Term HKSAR Government. The policy address is not only a report of the Government for the year 2007-2008. In the conclusion of the policy address, it is said that "we will embark upon a new journey for a golden decade". This shows the towering aspirations of the Chief Executive. The policy address is the blueprint that charts Hong Kong's course of development in the next 10 years. It has a tremendous impact on Hong Kong. To make this far-reaching impact of the policy address a reality, it would not only have to depend on the specific policies stated therein, such as the 10 major infrastructure projects, the Hong Kong-Shenzhen metropolis, optimizing the demographic structure, and so on, but also what are contained in the Introduction and in the Conclusion. The Introduction embodies the Chief Executive's philosophy of governance and the Conclusion carries a fervent wish to remould the identity of Hong Kong people.

In the Introduction, the Chief Executive borrows mainland political terminology and proposes his three "cardinal principles" and a concept of "progressive development". However, the new goals so named in the Chief Executive's words are nothing new at all. The three cardinal principles talk about promoting economic development as the primary goal; that development should be sustainable, balanced and diversified and that development should bring about social harmony, with different strata of people sharing the fruits of economic success. In other words, the essence of all these is just that while great importance is attached to the economy, there should be balanced development and various classes of people should share the fruits of prosperity. Such arguments have been presented for countless numbers of times both in the community and in this Council. I have put forward similar arguments many times. But the question is that it is not enough just by speaking on the subject, the key lies in whether or not the Government has made these so-called new goals its first and foremost consideration when translating them into specific policies. Measures to return wealth to the people are the clearest indications of

the attitude held by the Government to share the fruits with different strata of people. In this policy address, from the three measures to reduce the standard rate of salaries tax, profits tax and waive the rates for the last quarter, it can be seen that these measures to return wealth to the people are selective in nature. The standard is not to take from the abundant to help the wanted but to help the abundant and dump the wanted. The Government is returning wealth to the abundant strata while the grassroots are dumped. I do not think what the Chief Executive is doing is consistent with the goals that he says should be insisted on. It is also because of this reason that I have no confidence in the new goals proposed by the Chief Executive, even to such an extent that I would regard them as camouflage for policies tilted in favour of the interest of certain groups of people.

In the section on progressive development, the Chief Executive has indulged in extensive discussions on the relationship between the Government, enterprises and individuals. I agree with the policy address when it says, "The Government needs to balance the political, economic and social demands of different interest groups in the community". But I have doubts about the yardstick used by the Government to balance all these interests. In the community, what the people can see is only that the Government making strenuous efforts to balance the sharing of interests by the big conglomerates, the giant developers and such like interest groups, instead of addressing the demands of people from different strata. With respect to economic development, the policy address lacks any effective measures on redistribution of wealth. The Chief Executive is still a staunch believer in the trickle-down theory, that is, it is only when ensuring the conglomerates and capitalists have the opportunities to make money and it is only when they are fattened to such obscene proportions that they cannot even put their socks on that tiny drops of their interest will trickle down to the other strata.

As for the enterprises, the Chief Executive suggests that enterprises should no longer just perform a pure economic role, they should also shoulder social responsibility. I must say that it is always right to tell people to be good and give back to society. I have been in the union movement for decades, while I cannot say that there are no good employers in Hong Kong, there are also quite a number of employers who act in various ways and means and who haggle over every ounce, and who for trivial interest are willing to pay no attention to the most basic standards provided in the labour laws in order to flay and fleece the last cent from the workers' pockets. Minimum wage and standard working

hours are hence part of the social responsibility of enterprises. If most enterprises in Hong Kong can shoulder social responsibility, the Wage Protection Movement initiated by the Government would have reached its goal a long time ago and there would be no need for the Chief Executive to make repeated calls in the policy address and resort to carrot and stick to urge employers to take part in it.

The least social responsibility of the enterprises is to treat their employees reasonably. The Chief Executive says that he will promote the family as the mainstream social core value through various policies. During the past two or three years, whenever I met the Chief Executive to present my views on the policy address, I would ask him to promote a family-friendly employment policy. If the Chief Executive is really sincere in treating the family as the social core value and if he believes that the enterprises should shoulder social responsibility, then this family-friendly employment policy should have been put into practice a long time ago.

In most of the dozen or so paragraphs in the Introduction of the policy address, the Chief Executive has given vocal expression of the mind of most people, including me, who are concerned about the life of the grassroots. I should be very happy when the Chief Executive is willing to make these claims the new goals of the Government. But after reading the policy address, I do not feel happy at all. Because what I can see behind the beautiful words of the policy address are only policies which run away from these goals. When the Chief Executive elaborates on these policy goals, the first thing he does is to introduce his blueprint for the 10 major infrastructure projects. He says, "Infrastructure development can bring about huge economic benefits.....A rough estimate of the added value to our economy brought about by these proposals.....would be more than \$100 billion annually, .....some 250 000 additional jobs would be created." It is true that every major infrastructure project can bring about massive employment opportunities. The fact that the Chief Executive places the 10 major infrastructure projects at the beginning of the policy address is understandably to use them to lift the spirits of the people. But when will these projects actually commence? When can these some 250 000 jobs be created? I think the people would first let out a sigh before their spirits are lifted.

As the saying goes, water from afar cannot put out a fire near. Of the 10 major infrastructure projects proposed by the Chief Executive, a great majority

of them are still being discussed and studied. In other words, it is not known whether or not they can commence at the end of the day. Even if these projects can commence, at the soonest it would be two or three years from now, so how much can construction workers gain from this in the next couple of years or so? In view of this, I hope that the SAR Government can act in line with its determination to promote the infrastructure projects and do the best it can to enable these projects to commence. This would ease the severe problem of unemployment among construction workers.

In respect of wage levels, the Chief Executive says in the policy address that he will pay close attention to the mid-term review conducted this month of the Wage Protection Movement for cleansing workers and security guards. However, the SAR Government has to date not laid down any specific details of the mid-term review and much delay is caused in working out the performance indicators for the Movement. The Government gives people an impression that it is not enthusiastic at all in this issue and there is no indication of any determination on its part. Therefore, both the Federation of Hong Kong and Kowloon Labour Unions and I are very disappointed and we are filled with discontent. I call upon the SAR Government to adopt a serious and positive attitude and start the mid-term review and finish it as soon as possible. Moreover, it should make preparations for the legislation to impose minimum wage in order to ensure that the grass-roots workers will get the legitimate rights they deserve.

Despite the recovery of the Hong Kong economy, grass-roots workers have not got any benefits in the process. The problem of working poverty is still very serious. In the past when the economy was in the ebbs, the problem of working poverty apparently existed, however, as the economy fared better in recent years, not only is the problem not eased but on the contrary it has worsened. Now workers earning less than \$5,000 a month number as many as half a million and that accounts for one seventh of the total workforce. Trades with low wages and exceedingly low wages are on the rise. Surveys conducted and proof gathered show that apart from the cleansing workers and security guards covered by the Wage Protection Movement, the fast-food, restaurant and retail trades also have low wages. Therefore, the SAR Government must face the problem squarely. I hope the Government can give serious thoughts to expanding the scope of wage protection to cover more trades and legislate on the full implementation of minimum wage. Such a move will not only protect the rights of the grass-roots workers but also solve the problem of working poverty.

In the section on a caring society, the most direct measures proposed are to reduce the standard rate of salaries tax and profits tax, as well as waiving the rates for the last quarter. Those who will benefit from these measures are the abundant strata in society. In March this year, when the Financial Secretary of the Second Term SAR Government delivered his budget, the same measure of rates waiver was used to return wealth to the people. At that time, there was much criticism in society as it is now and the Government was under fire for ignoring the grassroots who do not pay any direct tax and do not own any properties. But the measures proposed in this policy address to return wealth to the people still follow the same wrong direction. During the Budget debate, I made a suggestion that the Financial Secretary should imitate the measure adopted by the Housing Authority in its review of the mechanism for adjusting public housing rentals, that is, waiving the rentals of tenants of public housing and interim housing units for one month. The money involved is to be paid from the public coffers and the cost would be less than \$1 billion and that is even less than the amount of \$1.5 billion earmarked for additional welfare assistance expenditure proposed in the Budget. Now I would like to propose the idea again because this is a measure that can show the Government's care for the community, especially those at the lower strata.

New initiatives proposed in the policy address on a caring society include the giving of five health care vouchers worth \$50 each annually to all citizens aged 70 or above. It is said in the policy address: "Apart from giving something back to our senior citizens, this initiative enables them to choose more freely various primary medical care services in the local community and therefore reduces the waiting time." Incidentally, I came across some information on fees charged in the out-patient department of some private hospitals recently. I learned that the charges for daytime out-patient services ranged from \$120 to \$160 and it was close to \$200 at least in the evenings. Fees were more expensive on public holidays. I wish to stress emphatically here that these private hospitals do not include elite hospitals like the Hong Kong Adventist Hospital and the Matilda Hospital which charge even more. Health care vouchers worth \$250 are only sufficient to pay the costs of one visit to a private clinic and a visit to the evening out-patient department of a private hospital during ordinary calendar days which are not holidays. Instead of saying that the vouchers of \$250 can give the senior citizens some choice, it would be better to say that this is a cosmetic attempt to rework the Government's image to the effect that it does care for the elderly.

Before the policy address was delivered, there were rumours that the Old Age Allowance would be increased. It turns out that the senior citizens have seen their hopes dashed again. I propose that the Old Age Allowance be increased instantly and that the health care vouchers worth \$250 should be changed to \$250 worth of supermarket cash coupons as they can help the elderly better.

The topic of social enterprises is a continuation of the topic taken up by the Government of the previous term. The SAR Government is the largest employer in Hong Kong, but before the idea of social enterprises was floated by the Chief Executive for public discussion, I had asked the Government to change its prevailing outsourcing policy. The change is to be from the outsourcing of non-skilled services to the private sector with the aim of saving public money to that of using reasonable wage and working hours as the means to achieve the aim of solving the unemployment problem among the low-skilled workers. However, when discussion is made in the policy address on strengthening the role of social enterprises, the Government only wants to play the role of a middleman between the community organizations and the business sector. I am very disappointed by the noncommittal and lukewarm attitude of the Government in developing social enterprises despite its being the largest employer in Hong Kong.

Now the economy of Hong Kong is robust and public coffers are inundated with surplus, it is public expectation that the Chief Executive will present some concrete measures in the policy address to relieve the pressure of life on the lower strata. In the policy address, beside the pompous display of rhetoric on sharing the fruits of success, a caring society, and so on, no concrete measures are proposed. This underlines the greatest failure of the policy address.

Deputy President, Hong Kong is facing momentous changes and I agree with what the Chief Executive says in the Conclusion of the policy address, that "In this new era of swift changes, I believe what we need is more consensus, less controversy; more practical action, less empty talk; more cohesion, less division." In the view of the Chief Executive, the foundation of achieving these goals lies in the determination of everyone to make improvements and scale new heights. My view is a bit different. I would think that the foundation of achieving consensus, harmony and cohesion lies in mutual trust. It is when the concerns of various interest parties are properly addressed, instead of provoking greater hostility and suspicion, that a consensus can be reached, harmony fostered and cohesion in society strengthened. The Government should take the



lead in such matters and there should be concerted actions from all sectors across the community, especially those in the political circle.

Like the Chief Executive, I hope that the next 10 years will be a golden decade for Hong Kong. But development should not be limited to economic construction, there should also be golden times for our development in livelihood issues, the political system, and so on.

Thank you, Deputy President.

**MR WONG KWOK-HING** (in Cantonese): Deputy President, I wish to discuss four issues in this session: The first one concerns legislation on minimum wage and standard working hours. Paragraph 78 of the policy address is a response to the letter written by the Hong Kong Federation of Trade Unions (FTU) to the Chief Executive. However, in view of Secretary Matthew CHEUNG's stance towards the mid-term review, which will have to drag on until the end of this month, and his ambiguous attitude towards the assessment criteria of the review, I think that he is not as forthright and explicit as Secretary Edward YAU was in the negotiations concerning the two power companies' scheme of control agreements. If the voluntary movement has failed, the preparatory legislative work on a statutory minimum wage should immediately be launched. I can tell the fortune of the Wage Protection Movement (WPM) basing on the prevailing trend and the available information. It is an indisputable fact that the WPM will definitely fail. Therefore, I hope that Secretary Matthew CHEUNG will act like Bruce LEE, but not ZHANG Sanfeng. The fatal stroke of Bruce LEE is the "triple kick", meaning that he could jump up and throw three kicks in succession, without having to pause in between the kicks. As a result, I hope that when Secretary CHEUNG acts like "three-kick LEE", he will throw his first kick by immediately kicking off the preparatory legislative work. While the second kick aims at completing all preparatory legislative work before this Legislative Session ends in July next year, his third kick will be a review of the WPM upon its conclusion in October next year, and to table the relevant bill at this Council for examination. Therefore, starting from today, I hope that Secretary Matthew CHEUNG will act like Bruce LEE — "three-kick LEE".

The second issue concerns the cross-district transport allowance. Since the scheme only covers four remote areas and is restricted to applications

involving work across districts, which is unilateral, the allowance has actually failed to achieve the original purpose of helping the low-income earners. Applications will not be accepted if the problem of high transportation cost is found within the same district. A typical example is a Tung Chung resident working in the Po Lin Monastery who is not eligible to apply for the allowance as he is not working across district. I therefore hope that the Secretary will advance the review of the cross-district transport allowance scheme, rather than doing it after one year. Otherwise, it may not be able to achieve the purpose of helping more people move towards self-reliance and removing their reliance on CSSA.

The third issue concerns the health care vouchers for the elderly. Deputy President, some elderly people said that the \$250 health vouchers are like alms bestowed on them. According to them, the money is not salty as salt and not hot as ginger, and \$250 is even not enough to pay for the removal of a tooth. Now that the Treasury is flooded by tens of billions of dollars, not knowing how to spend them, why did the Government not consider increasing the value of the voucher? Why is it not genuinely intended to help the elderly when they are in need? The FTU has already taken the initiative to lead some elderly people to stage a petition outside the Government Headquarter, requesting the Government to give the \$250 health care vouchers on a monthly instead of yearly basis.

Furthermore, insofar as the provision of health care vouchers is concerned, given that the holders of senior citizen cards aged 65 to 69 are required to pass an income and asset test before they can be entitled to the "fruit grant", why are they not given the health care vouchers? In response to my query, the Administration advised that this initiative is meant to help the needy, and abuse is therefore undesirable. I find this reply illogical and can be considered as age discrimination against the elderly. As we all know, elderly aged 65 to 69 have already passed the income and asset test before they can receive the "fruit grant", so may I ask the Government what kind of abuse there is? On the other hand, people aged over 70 are entitled to the "fruit grant" without going through any income and asset test. The Government has stressed the main objective of preventing abuse, but it has actually contradicted itself and ran against its own logic. Deputy President, while both groups are elderly people and also holders of senior citizen cards, they have been artificially twisted and classified. May I ask whether this is respect or insult to the elderly? Do elderly people aged 65 to 69 not deserve any rebate from the community? Is a rebate not something all elderly people should receive? Do they enjoy the same

right? The Government will only end up losing its credibility if it does not handle the issue in an impartial manner.

Deputy President, health care voucher is originally a good initiative. However, as a result of the Government's policy blunder, this good thing has turned out to be a disservice. It does not only offend the grey population, but also jeopardize the long-standing support to the Government from the elderly people territory-wide. I think that the SAR Government has really made a wrong decision, and I hope that it will genuinely engage in some serious soul-searching.

The fourth issue concerns the "fruit grant". While different political parties and groupings are busy debating the amount of increase of the "fruit grant", the FTU has already taken an initiative to stage a petition outside the Government Headquarter and proposed a blanket increase to \$1,000 for the consideration of the Government. The proposed increase is not too large. Why? Firstly, the original intention of giving the "fruit grant" is to show respect to the elderly people. However, the Government has now divided them into four classes, which has no sense of respect, but merely polarization. It has even given rise to discrimination. How are the elderly people divided into four classes? People aged over 70 belong to the first class; those aged 65 to 69 and who are entitled to the "fruit grant" after passing the income and asset test belong to the second class; those aged 65 to 69 and who are entitled to nothing as a result of their income and asset exceeding the limit belong to the next class; and the fourth class are people aged 60 to 65 who are not subject to any test. Deputy President, nowadays, many people are forced to retire at the age of 55. Secretary Matthew CHEUNG, do you know that? They have lost their jobs, but they do not wish to retire. Only that they are unable to get a job. What is more, people aged over 65, a generally agreed age of retirement, has been further divided into a couple of classes under the policy of "fruit grant". Is your measure intended to respect or abuse the elderly? Are you respecting or discriminating against the elderly? How can their division into different classes be regarded as respect to the elderly? Secondly, the amount of "fruit grant" has not increased for 10 years. A decade has passed and the Treasury is now flooded with money, so why did it not give away some money? I really do not understand. Thirdly, there is no review mechanism for the "fruit grant". There are different kinds of review mechanism, with the exception of the "fruit grant" of the elderly. How can you account for this?

Deputy President, as an old Chinese saying goes, "love others' elderly as you would love your own". When I read out this old saying, I felt that there is

really something wrong with our "fruit grant" policy. Seeing that "Investing for a Caring Society" had been used as the heading of part D of the policy address and "Care for the Elderly" as a subheading, I therefore urge here that the Government should honour its words. The third day after the Chief Executive had delivered the policy address on 10 October, that is, 12 October, an elderly person who made a living by collecting cartons and aluminium cans was knocked down to death by a car at Victoria Park Road. This tragedy is a strong accusation of the caring society as highlighted in the policy address. I felt very sad after reading the news, so I urge the Government to immediately review the existing "fruit grant" system. Secretary Matthew CHEUNG should not allow this problem to drag on by adopting an "open attitude", and saying that he "will review". I hope that consideration will be given to improvements in three aspects in the review to be conducted by the Government:

First, to increase the monthly "fruit grant" of the two age groups to \$1,000.

Second, to remove the limit of absence from Hong Kong, so that the elderly will not be discriminated against, but treated in the same way as retired civil servants in respect of the duration of absence from Hong Kong.

Third, to give effect to the portability of benefits as the relaxation only applies to two provinces, namely Fujian and Guangdong, at present. Why are the benefits only portable to Guangdong and Fujian within the entire country? This is really very strange. I wonder how the Government can formulate such a policy. Do other provinces not belong to China?

Deputy President, I have only raised four points in this session, so I look forward to hearing some responsible and serious response from Secretary Matthew CHEUNG. Thank you.

**PROF PATRICK LAU** (in Cantonese): Deputy President, as I said in the first session, there should be much room for improvement with respect to solving the problems of the disparity of wealth and elderly welfare.

The policy address suggests that health care vouchers should be given to the old people. A coupon worth \$50 can be used at one time and each year a

person can spend \$250 at most. Actually, it would be much better if these coupons are not offered to the old people. Many old people have chronic illnesses and each time when they visit a doctor, it would cost them at least \$500 to \$600. It would be a few thousand dollars a year. Fifty dollars are really no help to them. On the other hand, doctors who used to charge the old people some tens of dollars less may raise the consultation fees back to their normal levels. In this way, besides the administrative costs involved, the old people will not get any benefit. It is not worth all the trouble after all.

The Old Age Allowance (OAA) is a very important means through which society can pay the old people back. Had there been no contribution from the older generation, there would not be Hong Kong now. So while the policy address lays so much stress on a new direction for Hong Kong, we must never forget the past in favour of the new. To achieve a caring society, thoughts should be given to devising some policies that will work to help the frail elderly in need. The OAA should be reverted to a reasonable level because the inflation rate is going up fast. Civil Servants have got a pay rise. Members of the Legislative Council have got a pay rise as well. So why should the OAA payment not be increased? For if not, the life of the poor old people will be more miserable.

With respect to welfare policy for the elderly, apart from the OAA, the health care vouchers, CSSA payments and such like cash assistance, housing for the old people is also important. The housing problem is also one of the factors causing social problems related to the elderly. I shall speak on this in the fifth session.

I now return to the problem of the disparity between the rich and the poor. I support the concept of "Enhancing Employability" in policy administration. Solving the unemployment problem is one of the ways to narrow the wealth gap. It would be a good policy if it aims at making those who are capable to be more competitive and rejoin the manpower market. However, there must be suitable employment opportunities to encourage these people to do so. For the low-skilled working class with little academic attainment, it would not be desirable if they have to travel a long way to work, for transport expenses would take up a large part of their wages. Hence something must be done at the planning level to create more employment opportunities in the local communities. This is especially so for women who need to take care of their children as it will enable them to work part-time. If the place of work is near

their home, they will find it more convenient to take care of their family. Such is an employment policy that can maintain harmony in the family.

Recently, there has been a spate of tragic accidents caused by working parents leaving their children alone at home. Therefore, the Government wants to impose heavier penalties on people convicted of negligence in their duty of care to the children. Why can the Government not provide comprehensive child care services at a district level? This will solve the problem of working parents having to take care of their children as well as creating child care service positions for women in the district. Then it will reduce the problem of a mismatch in resources and making possible a family welfare policy that aims at "Investing for a Caring Society".

Deputy President, the policy address talks about welfare policy issues and they have caused widespread concern in the community. And there is no exception among the professionals. This shows that we do not just care for making money. A retired architect who is working as a volunteer to serve the senior citizens has written a piece of doggerel. It sounds very nice to me and I now read it out to all of you. Maybe you will agree with the contents in it. It goes like this:

"Policy address has come freshly out,/CE cries out loud to trumpet and tout./A saviour of the poor, weak and old/ and a great plan he wants to unfold./Medical vouchers he thinks a treasure so priceless,/But 250 bucks are darn so worthless./Seeing the doctor once and oops, they're gone./Next year, if your ill and your goodself are not alas, gone."

Thank you, Deputy President.

**MR RONNY TONG** (in Cantonese): Deputy President, when I spoke in the first session, I described this policy address as an insult to democracy, devoid of justice and perfunctory in economic affairs. Deputy President, I said yesterday that with respect to democracy, there was a big gap between the standards held by the Chief Executive, those held by Hong Kong people and those by the world. And in social and economic policies, we can see the same problem, too. Although this policy address is entitled "A New Direction for Hong Kong", if we look closely at the details in it, we will find that they are still moving in the same direction, that is, farther and farther away from that of a responsible government.

Deputy President, there is a part in the policy address which is most thought-provoking. And that is paragraph 14. The Chief Executive says in a most upright tone: "As for enterprises in today's society, they should no longer just perform a pure economic role — they should also shoulder social responsibility." Deputy President, when the Chief Executive was making those remarks, had he reflected on the responsibility of the Government in that? While our social enterprises, or rather, commercial enterprises have to shoulder social responsibility, has the Government ever reflected on the question of whether it has fulfilled its own basic social responsibility? The Chief Executive often stresses that we should develop the economy. This reminds me of the time when Mr TUNG Chee-hwa was in office, there was a pet line he loved to say. He said, "Ronny TONG, if the economy is good, then everyone will be good." I do not know if Honourable colleagues would still remember that. For me, I can even recall vividly his expression when he said that. But is this true? Now that the economy has got better, and it has been good for quite a few years, but does it mean that everyone now is good?

Actually, I do not see much difference between Mr TUNG Chee-hwa's administration and that of Mr Donald TSANG. Likewise, even though the policy address may have been whitewashed in such exquisite details and phrased in such appealing rhetoric, ..... I do not think I can put it in such a poignant manner as Mr Patrick LAU has done with the doggerel that he has just recited, but put simply, there is a philosophy behind the policy address that cannot be clearer. That is, if the people do not pay any tax, it would be no concern of theirs even if the government coffers are inundated with revenue because the money is not theirs. If the Government wants to return some money to the people because it has got too much of it, they will not get any rebate. A rebate will only go to those who pay taxes. Since they have no money, they are not given any votes. Since they have no money, it is not worth the trouble giving them votes to elect the Chief Executive or return half of the Members of the Legislative Council. This is the undisguised philosophy of governance behind which I have talked about earlier. Though it is never put down in black and white, we can certainly sense it.

Deputy President, we need only look at the various recommendations made in this policy address to discern this deep-rooted source of conflict and it is intensifying from day to day. Just take a very simple example, the government coffers are inundated, there are too much money in the Government's hands, so how is it going to spend some money away? And it is to give a rebate of \$5 billion to about 20 000 taxpayers and that is on a year-on-year basis as well.

The Government also says that profits tax will be cut. In my opinion, when the Government has fulfilled all its social responsibility, then we should think about how our competitiveness can be enhanced and how we can compete with Singapore. This is correct. But if someone says to us that when the Government has still yet to fulfil its social responsibility, it is already resorting to giving a rebate to the well-off because it has got too much money, such that it not only fattens the well-off to such a grotesque extent that they cannot even put on their socks but also they cannot even put on their shoes as well, then sorry, I do not think we can ever support it.

Our party is called the Civic Party and do you know why we have such a name? Because we support democracy and social justice. And it is social justice that this policy address is precisely found wanting. Why should \$5 billion be returned to the taxpayers? They are the top-earners, not the ordinary men-in-the-street kind of wage earners. Only those top-earners can stand to benefit.

As for the part about Old Age Allowance, no mention is made of it in the entire policy address. When I entered the Legislative Council earlier, I saw many old folks holding rice bowls and beating them. I had thought of asking them to go away, for they should not beg in front of the Legislative Council. They were just like begging out there. Do they need to beg? The Government has got so much money that it can easily take out \$5 billion from its pockets, but there is nothing in the policy address on the Old Age Allowance.

On the medical vouchers worth \$250, many Honourable colleagues have talked about them and so I need not repeat the point here. The amount is so meagre that it is not even enough for pulling out a tooth. Ms LI Fung-ying has just said that it would be much better if they are given cash coupons for the Park'n Shop, for the old folks would find these more useful. An amount of \$250 can at least enable them to buy two or three bottles of soy sauce so that they can use it as gravy for their rice.

Deputy President, paragraph 82 talks about care for the elderly. It says that family support from society will be strengthened in the hope that life of the elderly will be improved. The Government will earmark a one-off provision of \$200 million. Just by looking at this paragraph, we may have a feeling that the Government is really generous, for as much as \$200 million will be given away.



And for us, it is never known how long it may take us to earn such a large sum of money. But we can just see that we are talking about the whole of Hong Kong and the one-off provision is only \$200 million, whereas funding on the other side is \$5 billion every year. How can a balance be struck? Where is the balance? What is social justice? The money which the Government gets is not only money from the taxpayers but that from the whole community. It is the resources of the community.

When I met Henry TANG last time, he asked me, "Ronny TONG, you people from the Civic Party talk about allocation of resources, does it mean that you are communists? Do you believe in communism?" I said, "No, sorry, what we refer to is the distribution of public resources, a fair distribution." Why is it that when we have the means to spend, we do not spend on improving the quality of life of the majority? Deputy President, after reading the entire policy address from cover to cover, I found no mention of how the problem of domestic violence is to be tackled.

On a Sunday a few weeks ago, we came to learn about a most heartrending piece of news. Tin Shui Wai has such a bad name attached to it and it seems that it can never be removed. Where in the policy address is it mentioned that resources to tackle domestic violence would be increased? The so-called round-the-clock hotline only has recordings and no one actually picks up the phone. Just how much money does it need to hire someone to man the hotline? Does it take \$5 billion? If \$5 billion is not needed, then why is money not spent on this? Why is it that when we say we have zero tolerance for domestic violence..... since it is zero tolerance, then take out some money and do something. It turns out that zero tolerance really means zero funding.

Donald TSANG says that he treasures family values and will increase support for the family. When we met Chief Executive Donald TSANG, I told him that he should take care of the welfare of the children. We suggested that a Commission on Children should be set up. But the Chief Executive said that caring for the family would mean caring for the children. I pointed out that this was not so, for the two concepts were different. Of course, he should care about the family but the children do have their basic rights. Why is there an international covenant on the rights of the child? Because children's rights are different. This is also directly related to the question of domestic violence. In Hong Kong when incidents of domestic violence take place, unluckily the basic rights of the children are often affected. Sometimes even their lives are at

stake. I am not raising alarmist talk. Nor do I wish to ask the Chief Executive how many children would have to die before money can be spent on that. I do not want to say these things. Margaret NG once asked, how many people would have to take to the streets before the work to legislate on Article 23 was to be withdrawn. Her words went down the records in the history of Hong Kong once she had uttered them. I do not want to say things like that. But honestly, if the Government refuses to increase resources to deal with family violence, such tragedies are bound to happen again. How then can the Government hold itself accountable to society? Or does it just have to hold itself accountable to those 20 000 taxpayers?

(THE PRESIDENT resumed the Chair)

President, another thing that the Chief Executive said that must be done this year is to develop social enterprises. Social enterprises are a nicely-sounding name. Many people have asked what social enterprises are. But as seen in the policy address, I really do not know what it is talking about. It says that enterprises should shoulder social responsibility and do more to develop community economy and that will be fine. Some of my colleagues have just returned from Britain and Spain and we would write a detailed report on the trip. We can just look at the example of Britain, though their social enterprises are not the best ones, and the best ones seem to be those in Spain. I think Members would find that these social enterprises take up 5% of the total workforce in Britain. The economic effect of social enterprises on community economy is such that they contribute almost 1% to the total economic income.

Social enterprises are large in scale and if the Government does not take the lead to promote them, then should it be done by Cheung Kong or Sun Hung Kai? Can they do it? Or will they do it? If we want entrepreneurs to fulfil their social responsibility, should the Government not take the lead and fulfil its own responsibility first? If the Government does not take the lead, how can other people do it? We are now talking about actual support, not just saying that social enterprises should be promoted and then banging the door behind us and walking away. We are discussing offering tax incentives, convenience in planning and also loans. These are means which only the Government can use in order to attract and forge a partnership between business and the community in order to promote the economy of the latter.

Has the Government ever thought about what are the differences between Sha Tin and Tin Shui Wai, or between Tai Po and Tin Shui Wai? Why can the Government not give some thoughts to that? Is it not looking for a new direction? Does the Government know where do the differences lie? Has Donald TSANG not gone to visit Tai Po and eaten at the food stalls there? It is easy to note the differences between them. Sha Tin and Tai Po are communities straddling different classes and so their economy can be driven by people from different classes whereas Tin Shui Wai is a static mono-class community.

So when the Chief Executive says that new towns are to be developed, I get very scared. Why? Because all the many places mentioned by him belong to New Territories East. All of them really belong to New Territories East. What should we do? It is not that I do not care about Tin Shui Wai. I care about it very much. I often visit schools in Tin Shui Wai and give talks. But after all, I do not belong to that constituency. If three new towns like Tin Shui Wai were to spring up in New Territories East, then I would certainly cry "Help!" This is only a joke, but it has got meaning. That is, if some new towns are really to be developed, then please do not make three or four new towns like Tin Shui Wai. In other words, when the Government says that new towns are to be developed and a new direction is to be charted, should it not sit down and think what should be done? Does it have any blueprint or planning concept that can be freed from the fetters of Tin Shui Wai or jump out of them, such that some more Sha Tin or Tai Po would be developed instead? I cannot find any mention of this in the policy address.

President, when talking about economic and social policies, I do not think that I can refrain from discussing the issue of minimum wage. The minimum wage that we from the Civic Party support is a most basic one. We are talking about an hourly wage of \$35, that is, \$5,000 a month. President, this is just a bit more than the CSSA rate. If the CSSA rate is more than the minimum wage, then why should people bother to work? This is pure common sense. Why after all these talks by the Chief Executive and the many excuses that he has put up, nothing is done after all these procrastinations? Even when the Chief Executive came to the Question and Answer Session in this Council last week, he only talked about the two trades of cleansing workers and security guards. So what about the catering industry and the waiters? Do we not read the newspapers or watch the TV? A few weeks ago, a TV programme reported that staff in the fastfood outlets were only paid \$16 or \$18 an hour. This situation is not just confined to economic policy but it is social policy as well. Can we

stand this blatant contempt for the working class in our society? Only \$18 an hour. This is really trampling on the dignity of the workers. In such circumstances, the Chief Executive still says that he would only deal with minimum wage in these two trades and even with that, a decision is pending the outcome of a two-year trial scheme in the business sector. To be honest, this is just like these so-called 10 major infrastructure projects which I will talk about later. No difference at all. Put bluntly, the problem is still unsolved till our dying day. It is just like water from afar cannot put out the fire burning right in front of you.

Minimum wage has become a social policy issue. Findings of the studies undertaken by us, including a very detailed study by the Legislative Council a few years ago, all show that implementing minimum wage will not affect our economy. Britain is a very good example. Minimum wage has been enforced there for seven years. British officials told me that all through these seven years, the economy of the country was the best it had seen for many years. Why has the Labour Party managed to stay in power and never lost an election? I really have no idea if the party will ever lose, but the proven fact is that not only will a suitable policy on minimum wage never damage our economy but it may also even spur economic growth.

Likewise, standard working hours are also an issue that we should consider. It is also not mentioned in the policy address. It would be useless if there is only minimum wage but no standard working hours. What is the point of it all if a boss gives the worker a monthly salary of \$5,000, but the worker has to toil 20 hours a day? So when the Government considers labour policy in general, such matters should be taken into account as well. Also, the policy address does not mention labour policy at all. Our Government does not have any labour policy. Every year we seek to pass motions in the hope that a comprehensive review of the labour legislation would be taken. Our labour laws are backward and they are decades behind. When can any improvement be made?

President, I would like to talk about the 10 major infrastructure projects as well. President, I understand your difficulties. You often say that we cannot jump from the third session to the fifth, but President, there is in fact a close relationship between the two. At this time and age, our economic policies and social policies are closely intertwined. This may not be the case in other communities, but it is certainly here. The eyes of this community are only set

on money and economic development. This is the goal of this community. But no consideration has been made of why the economy should be developed. Do we do it because we want to retain our fine reputation of being a world city? Are we going to claim that we have the most Rolls Royces and we are the richest city in Asia? Or if we want to develop the economy for the benefit of those in business, for if not, they will not come here to invest and instead they will go to the Mainland? Or if we want to develop the economy for the sake of improving our social environment? This is the first question the Government has got to ask itself. If the answer is that this is for the betterment of our social environment, then we had better set our eyes on social policy.

The 10 major infrastructure projects are a good thing and I would not oppose them. But please do not forget, nine out of these 10 major infrastructure projects are old projects that should have been done a long time ago. It is only we did not have the money that they were put off. But these would have to be done someday. Would there be any problem if all these projects are carried out at the same time? Two days ago I raised this question to the Secretary Prof KC CHAN: Would these 10 major infrastructure projects cause any adverse effects? My worry is the problem of inflation. Although inflation now is not very serious, as the wealth gap here is so wide and so many people are living in dire straits, even a slight inflation would be a big problem for them. Vegetable prices have gone up by 20%, transport fares are so high and these may take up 20% of their monthly expenses. So even a slight inflation would exert enormous pressure on these people.

Now if the Government is spending so much public money to make a one-off..... of course this is just a matter of proportions and the 10 major infrastructure projects are not supposed to start the next day, though. But if they are to be undertaken within a specific timeframe, then a lot of workers will have to be hired. It is true that the problem of employment opportunities can be solved, however, when more people work, consumption is bound to increase, and inflation is likely to happen. Therefore, the Government must take all these problems into consideration. It has a responsibility to prepare for the rainy days. It must have the vision and be able to see farther ahead. It must never wait until inflation has set in and when people do not have the money to feed themselves, then it will say, "Too bad, why is that so?" This problem must be considered. In this connection, does the Government have any views on inflation? I posed this question to Secretary Prof KC CHAN in the meeting last week, but unfortunately he did not address the question when he gave his reply.

I hope very much that when officials give responses in this debate, they will talk about what they think of inflation and whether they are worried about the frenzy in the stock market now.

President, do I have any speaking time left?

**PRESIDENT** (in Cantonese): You still have one minute.

**MR RONNY TONG** (in Cantonese): One minute? Then I will go on. Now the index for our stock market should be around 30 000 points. This is in fact a warning. I hope the Government can think about this with reference to the 10 major infrastructure projects.

I must talk about a fair competition law. President, this cannot be dragged on anymore. It seems that the Government is saying that, since some people in the business sector are opposed to it, so nothing will be done, at least for the time being. What the Government should consider are the large number of consumers who will benefit from a fair competition law. What we are talking about is the overall interest of Hong Kong society, not just the interest of some businessmen. Hence the Government must never ever procrastinate again simply because the interest of some businessmen may be affected. So with respect to a fair competition law, I regret very much and I am very disappointed because of the repeated delays. Secretary Frederick MA asked me to raise the issue next year and I said I was not sure if I could be re-elected next year.

Lastly, I (*sound of the buzzer*) ..... President, originally I wished to praise the Government, I do wish to praise it a bit but now there is no time.

**PRESIDENT** (in Cantonese): Please sit down.

**MR FRED LI** (in Cantonese): Madam President, I shall focus on why I have to propose an amendment in respect of Old Age Allowance (OAA).

The amendment from Mr Albert HO is somewhat simple and there is no mention of any figures. Why does my amendment mention figures? There are

a few reasons for this. I have checked the records and found that the former Chief Executive, Mr TUNG Chee-hwa, said in his policy address in 2000 that a study would be conducted to increase the OAA to \$1,000. At that time, the target group was precisely those senior citizens who did not get any CSSA payment and who depended on the OAA for a living, not those who lived on fruits, as the common Chinese name of "fruit grant" used to stand for the OAA might imply. The study done at that time was on how the OAA for this group of senior citizens could be raised. However, the matter was left unattended and eventually Mr TUNG stepped down. Mr TSANG has never brought this matter up again and this is why I raise it now.

Also, the Democratic Party has just completed an opinion poll, interviewing 1 205 citizens. They were asked whether in their view government assistance to the aged was sufficient. Most of them said no, and that especially applied to the poor elderly. Another question asked was what their view would be if the OAA was to be increased. A number of options were given: \$800, \$900, \$1,000 or \$1,000 or above. They were asked to pick one. Those who picked \$800, that is, the amount most preferred by the Liberal Party, took up only 12%. Those who were in favour of \$900 took up 25%. Then, the most important thing, those who chose \$1,000 or above took up 63%. Such are the findings of our survey. There were 63% who supported the idea that the OAA should be increased to \$1,000 or above. This is obvious enough.

According to information from the Social Welfare Department, currently there are some 460 000 to 470 000 recipients of the OAA, and of these some 70 000 are senior citizens aged 65 to 69. The OAA they get each month is \$625. For those aged 70 or above, that is, some 390 000 senior citizens, their monthly OAA is \$705. If according to our proposal the OAA payment for senior citizens aged 65 to 69 is increased to \$900 and those who are 70 or above is increased to \$1,000, when the two items of expenses are added, the sum of additional expenditure for the Government every year is \$1.6 billion. If the Government can introduce a reduction in profits tax which leads to a \$4 billion loss in revenue and offer a tax rebate to those super wage earners — do the two Directors of Bureau know that Members of this Council are not eligible for paying salaries tax at the standard rate on account of our remuneration as Members and so we are never in the ranks of the super wage earners? Our salary is in fact not significant and it is still a long way from that. So we do not benefit from that measure. That is none of our business. But this is related to you. Reducing the standard rate by 1% incurs a loss in revenue by \$1 billion,

and this is related to the two Directors of Bureau and the Chief Executive. This is because you people pay the salaries tax at the standard rate while we are not qualified. This is why I can say so loudly here.

So seen in this light, we think that \$1.6 billion is really nothing. What we are saying now is that it is estimated that there would be a \$50 billion surplus this year. The revenue collected from stamp duty paid every day as a result of the share transactions would amount to more than \$100 million and it is some \$200 million to \$300 million. This is because the daily turnover in our stock market is \$130 million to some \$1,500 million or \$1,600 million. Hence public revenue would be far more than \$50 billion. However, in such circumstances, why should we have to be so mean to our old folks? I think I will need to use this word "mean" to describe this state of affairs.

In the Kowloon East constituency to which I belong, I have called five residents' meetings in the housing estates. These residents came from places like Wong Tai Sin and Kwun Tong. Many people came to the meetings and most of them were senior citizens. In Shun Tin Estate, there was this old man who asked me to reflect what he felt about the matter. He was furious and he said the name Donald TSANG spelt nastiness and meanness to him. He said that he lived a most miserable life because there had never been a rise in the OAA for nine years. These old folks are not on CSSA and they are living on the some \$80,000 to \$100,000 live savings they have, plus a few hundred dollars which their children may give them every month. So this sum of \$705 is a very important source of living expenses for them. This is not used to buy fruits but to buy rice. This is the money they use to buy food. Despite their hope for so many years, never had the OAA been increased all through these nine years. When the Government has so much revenue and when the surplus is so huge, when the tax rebate is so generous, that is, \$2.6 billion for the rates, \$4 billion for profits tax and \$1 billion for salaries tax, only \$250 worth of health care vouchers is given to each of these old folks.

A 69-year-old lady asked me, "Will I not get sick? Why am I not eligible for health care vouchers for senior citizens? I can get the OAA, but why can people aged 69 not eligible for the health care vouchers for senior citizens?" How can I answer her? I really do not know. Where has the Government drawn that line? If it is thought that senior citizens aged 65 can apply for a Senior Citizen Card, then why are health care vouchers only offered to those who are aged 70 or above? This is my first query about the health care vouchers for senior citizens.



Also, the sum of \$250, as mentioned by Honourable colleagues earlier, is not sufficient at all. Some old people told us that the cost of pulling out a tooth is \$380. The Government asks them not to go to the public hospitals and government clinics and instead they should go to doctors in private practice. But the senior citizens will not use this \$250 worth of vouchers. What they do at most is, after they have used up the vouchers which are worth \$250 in one visit, then they will go to the Jockey Club clinics or the public hospitals and wait there. Then what is the point of these health care vouchers for senior citizens? Those old folks who came to the residents' meetings all said that they had great hope and expectations for the OAA. And this was not the result of any deliberate effort made by me to guide them to raise this topic. They brought it up themselves.

If Members have noticed, the information from the Government shows that the recent rise in food prices is very marked. The price of eggs, for example, rose by 32%. An old lady asked me whether I knew what the price of an egg was at present. Now an orange costs \$3 to \$4 each. Fruit prices have gone up greatly. Pork prices rose by 30%. The rise in the prices of canned meat, poultry and beef is nearly 3%. Recently, the meat importer Ng Fung Hong said that prices would be raised again. Now the retail price of beef is \$52 a catty. One can imagine that if you go to a beef stall and ask the butcher to give you \$10 worth of beef, he may snap at you because the amount of beef you buy is really too small.

For the vast majority of senior citizens who do not have any income or very little income, they cannot cope with this even if they tighten their belts and lead a most frugal life. In Kowloon East, which is my constituency, it is incidentally the place in Hong Kong with the largest number of senior citizens. There in districts like Wong Tai Sin and Kwun Tong, the most unfortunate thing is that there live the poorest senior citizens. And they are all right in my constituency. They have put forward many of their views to me and told me that I must convey what they have in their mind today. They are not on CSSA and they just live on their own savings.

Abraham SHEK has promised me that when he speaks later, he will talk about the CSSA. I appreciate that for it is rare to see people from the business sector which he represents can also see the point. As for CSSA payments, Members should pay some attention to that. Secretary, I think you can hear these words coming from the bottom of our hearts. But as my amendment is about the OAA, so I will not speak on the CSSA.

The Chief Executive said in the Question and Answer Session that he was 63 years old and he was also a senior citizen. However, he was not eligible to get a Senior Citizen Card and he would have to wait for two more years. He also said that since he was quite advanced in years, he would certainly take care of the elderly. But are these remarks convincing at all? Mr Ronny TONG has just said that in the policy address we can see that some \$200 billion will be used in infrastructure projects and now \$6 billion more will be used to build railways. There is nothing wrong about it and we all support it. But can something more be done and not just in giving a tax rebate or waiving the rates? What kind of concession will a rates waiver mean for the senior citizens? Practically nothing. They live in public rental housing units and their monthly rent is some \$100. If you really want to give any concession to them.....those who are on CSSA will not get any concessions either, because the money they get will soon have to be spent once they get it.

I therefore think that the Chief Executive who vows that he wants to get the job done should really get something done. I believe — I do not dare to speak on your behalf, Madam President, but at least of the 59 Members of the Legislative Council here, I do not think anyone will jump up and say he or she will oppose increasing the OAA. I do not think any Member will say such things. However, there are still some arguments between us and that is on the question of whether or not the amount should be \$800, \$900 or \$1,000. I believe with respect to the question of increasing the OAA, no one will dispute it. I hope that with this pressure formed the two Directors of Bureau can be compelled to listen to the voice of the people and the Chief Executive can respond to it.

The Government should assist the disadvantaged with true sincerity. This is because the Chief Executive once said that there was a group of people who could not share the fruits of Hong Kong's prosperity. I do not think we need to talk about the problem of the wealth gap or cite figures like the Gini Coefficient. Just look at the two groups of people with the highest and lowest incomes. The change that has taken place in these 10 years is that those who earn the least have increased in number. There are still many jobs around that pay a most dismal wage, that is, some \$10 to \$20 an hour. These cleansing workers do not get any payment of — this was also part of your former portfolio, Secretary, and you were in charge of labour matters — at that time you set a standard of some \$5,000 for outsourced jobs in the Housing Department and the

Food and Environmental Hygiene Department. But there are many cleansing workers who really do not get this wage of some \$5,000. The security guards work for 12 hours a day and they get a mere \$5,000 something in salary. But Secretary, are 12 hours a reasonable number of working hours?

Lastly, I hope Members can support this amendment on the OAA. Let us stop arguing for a while what the actual amount should be and agree on an increase. This will exert some pressure on the Government. The Democratic Party proposes that all senior citizens aged 70 or above be offered the OAA at a rate of \$1,000 and those between 65 and 69 should get \$900. This proposal is well backed up by public opinion and I hope the two Directors of Bureau can convey our views. I so submit.

**MR LEUNG YIU-CHUNG** (in Cantonese): First of all, President, please allow me to repeat the topic raised by me yesterday in respect of non-civil service contract (NCSC) staff. Secretary Denise YUE responded after I had finished my speech that, insofar as the 10 000-odd NCSC staff were concerned, the Administration would deal with the expiry of their contracts by way of training, referral to other relevant agencies or recommendation.

President, I said yesterday that it seemed to be quite helpful to the staff. But actually, will it help them greatly? Mr LEE Cheuk-yan made a similar comment just now, that those capable of finding jobs would naturally be able to do so. Training offered to them might not achieve much for it is extremely difficult for the NCSC staff, given their background, experience and qualifications, to secure employment in the job market actually. They were qualified to be employed as the so-called NCSC staff during the outbreaks of SARS and the September 11 incident because entry qualifications were adjusted to an extremely low level at that time. I think their problems can still not be resolved in this way. As the Secretary indicates that the labour problem should remain the Government's concern and focus of attention with due regard given to the employment and unemployment problems, I very much hope that the Secretary can discuss with Secretary Denise YUE again and advise her not to abandon her social conscience and social responsibility.

President, as I pointed out yesterday, the Government as an employer must not dispose of its employees at its will. The employees were offered jobs by the

Government when the latter was in need of the former; the former were kicked away by the latter when they were no longer needed. It was indeed ruthless of the Government to act in that way. During the most difficult time or the outbreak of SARS, it was these employees who ventured to the front-line collecting bird carcasses, performing cleansing duties, receiving patients, and so on. Despite the assistance they gave the Government during the most difficult times, the Government indicates that the posts have to be reviewed now that the economy has turned for the better. Should the outcome of the review indicate a long-term need, the posts will be converted into permanent ones. In doing so, these employees will lose their jobs. Even if they are converted into outsourced employees, they will still lose their jobs. Should the posts be shown to be redundant, they will even be abolished altogether. Is it fair to treat the employees in this way, given their contribution during the past few years — not several months?

I hope Secretary Matthew CHEUNG can discuss with Secretary Denise YUE again to consider whether this policy can be reviewed afresh. Should there be no genuine need to retain these posts, can the employees be allowed to leave gradually by way of natural wastage rather than deleting their posts? As most of them are low-skilled persons aged 40 to 50, it is difficult for them to secure jobs however they are trained. Can the Government resolve the problem in this way? There is no need to make the unemployment rate.....I am afraid the unemployment rate will rise again, which is the last thing Members wish to see.

It is the view shared by many that Hong Kong's unemployment rate has stabilized, and the situation has been improved. In this regard, President, I sincerely hope that the Secretary can use some.....I remember the Secretary has once offered us a lot of assistance and helped the employees on numerous occasions. Can the Secretary continue to offer assistance to obviate their hardships? The contracts of these people will expire very soon, with some at the end of this year and some in March next year. Can the Secretary save them? I believe this crisis is quite catastrophic for them.

Regarding the issue of employment, President, although the unemployment rate appears to have stabilized now, some employees, particularly low-skilled employees aged 40 to 50, are still facing hardship in seeking employment. I believe the Secretary must understand the reasons very well. Although it is evident that employment training is quite liberal nowadays in terms

of age, academic qualifications, and so on, it appears that these people still do not find it helpful. Even if the age limits have been lowered, the situation of these people remains the same year after year. Although the Government has offered training to them, they can still not secure jobs after receiving training, so what can be done? This is of the utmost concern to me.

We very much hope that the Government can think twice. In the past, the Government once adopted some measures, such as subsidizing employers in hiring these people, to give the latter more chances to re-enter the economic market so that they can build up their confidence and gradually enhance their own working experience. They will thus be brought back to the job market, not having to rely on social resources anymore. Can the Government act in this way? I hope the Government can make an effort in this regard.

Regarding the issue of wages, last week I mentioned to the Secretary a concrete example about a delivery biker who earned an hourly wage of \$20. President, he was originally offered only seven-hour wages. However, when his employer saw him work so hard, he was allowed to work an extra half an hour for a total of 7.5 hours. Yet, he managed to make only \$150 a day, and he had to support a family of four. How could that be possible? I told the Secretary that he could have only one meal a day. This is a live example. President, as Mr Ronny TONG stated very clearly earlier, what can people in other trades, besides security guards and cleansing workers, do?

President, I appreciate that the Secretary cares about these grass-roots workers a lot. He has even proposed to meet with them and sought to make arrangements for them to receive training. However, what purpose will training serve, as asked by Mr LEE Cheuk-yan earlier? Even if an employee really listens to the Secretary's advice and undergoes training in a bid to be promoted to other posts upon completion of training and earn more — he will certainly be pleased if this is really the case — however, I told the Secretary that someone would still fill the vacated post. As the post would not disappear just because the original worker had been promoted, someone would be recruited to fill the post, and the Mr X who was recruited as a successor would still be offered an hourly wage of \$20. However, he might be required to work for only seven hours, not 7.5 hours. His predecessor was allowed to work an extra half an hour because his situation was considered by his boss to be more miserable. What can be done about this problem, President?

Hence, we really wanted to hear the Chief Executive indicate in the policy address that legislation would really be introduced to cover all employees, not just those working in these two trades. However, the fact turns out to be just the opposite. We are disappointed that only these two trades are included. What can be done? In the end, I consulted the Secretary, though he was unable to give me a reply. I really have no idea whether the Secretary can tell us if he can come up with any constructive opinions to address or tackle this issue. I will greatly welcome it and be very pleased if the Secretary can really offer the worker assistance. But actually, there is not just one such worker; instead, there are a large number of them. So, how should we deal with this issue?

Furthermore, I have to say a few words to the Secretary about the issue of long working hours. The policy address has not mentioned a single word about long working hours. Neither has it responded in any way to how this issue should be addressed. I believe the Secretary will surely have taken note of a survey conducted by the University of Hong Kong about the long working hours in Hong Kong. President, Hong Kong has made its name known again for it was ranked fifth in terms of having the longest working hours in the world. Hong Kong is really remarkable in achieving a lot of things. President, given that we are in the fifth place, our situation is indeed imaginable.

Furthermore, the survey has also revealed a staggering figure that 80% of the respondents have to work overtime. President, although we understand that things can be very uncertain and it is very difficult to make it mandatory to restrict the number of working hours to eight, not everyone should be required to work long hours. President, I wonder if it has come to your notice that I greatly support some of the Government's proposals. For instance, such proposals as parent-child education and continuing education are excellent. President, am I right? However, I have to ask the Secretary these questions: How can parent-child education be pursued? How can continuing education be pursued? This is because most workers are required to work 13 or 14 hours a day. If they have to spend two hours on buses or other means of transport to travel between their homes and workplaces, it means that they will be away from home for 15 hours, and yet there are only 24 hours a day. President, how much time will be left for parent-child education? How much time will be left for continuing education? How can their employment skills be upgraded? It is very difficult to achieve all these. President, as Members are also aware, this is impossible in reality. Therefore, I hope the Secretary can really make more effort in this regard.

President, we are pleased to see that the first of May has been designated since the reunification as the Labour Day, on which we can take a one-day holiday. However, it is very strange that the SAR Government or the Secretary has never explained to the general public why we are given a one-day holiday on the Labour Day? What is the purpose of the Labour Day? Why should the Labour Day be commemorated? No one has even mentioned the reasons to the general public, except that we can take a day off on the Labour Day, with toasts to be proposed for celebration and enjoyment. Has the Secretary informed the public of the reasons for commemorating the Labour Day?

President, the Labour Day is actually meant to commemorate a labour movement more than a hundred years ago in which a group of workers fighting for "eight-hour day" were beaten to death by policemen. President, "eight-hour day" advocates eight-hours of work, eight hours of rest, and eight hours of studies or learning. While people in another part of the world already fought for these more than a hundred years ago, we are still far from doing anything about it and achieving anything today. Nevertheless, we do take part in the celebration, though we have no idea what we are commemorating. Will people not find this laughable and ironic?

This is what our society is like. For instance, I am not a follower of any religion, but I do know what Christmas is, like all other people do, right? People know that the festival must be closely related to Jesus Christ before they will join in the celebration, right? However, we have never been told of this.

Hence, here I would like to call on the Secretary to formally inform all the people in Hong Kong on the next Labour Day of the significance of the occasion to make everyone understand the reasons for celebrating the Labour Day instead of just proposing a toast with leaders of trade unions. Every citizen should understand that the real meaning and significance of the occasion is that we should have appropriate periods of time for rest, work and studies. In so doing, both individuals and society as a whole will progress. I hope the Secretary can really undertake to do this.

Earlier in the meeting, many Honourable colleagues mentioned the issues of "fruit grant" (Old Age Allowance) and health care vouchers. President, I would like to tell you that I have been told by many elderly people that they treat the "fruit grant" as a "living allowance" because many of them are close to relying on the "fruit grant" to meet most, if not all, of their living expenses. It

is however a great pity, as mentioned by Mr Fred LI earlier, that the elderly have been looking forward, since the era of Mr TUNG, to an opportunity for the "fruit grant" to be raised. Despite the Government's repeated consideration over the past seven or eight years, they were left disappointed year after year. We sincerely hope this time.....can the Secretary, as the responsible official in this area, re-examine the matter to avoid disappointing the elderly again? Mr TUNG made some very appealing vows when he took office, that a sense of belonging, a sense of worthiness and a sense of security should be cultivated for the elderly, giving people an impression that the elderly are respected and taken seriously. However, almost none of the policies under these three slogans have been implemented. With the lapse of such a long period of time, should the SAR Government feel ashamed and recognize the need for a fresh review? Will the Government do something for the elderly?

Of course, Chief Executive Donald TSANG will probably argue that it is not right that the Government has done nothing, for at least health care vouchers worth \$250 have been introduced. As stated by Honourable colleagues earlier, these health care vouchers are not even enough to meet the cost of extracting a tooth. What purpose can the vouchers serve? The vouchers have given people not only an impression that they are merely petty favours, but also an impression that the Government has acted perfunctorily. More importantly, people simply do not feel being respected and taken seriously. The SAR Government should give more consideration to issues in this regard.

Lastly, I would like to say a few words about a family tragedy. As Members are aware, a tragedy occurred in Tin Shui Wai recently. Given that Tin Shui Wai impresses people as a "city of sadness", some people have even proposed that Tin Shui Wai be given a new name for a radical change. Actually, there is no problem with changing names. An example has even been cited by someone, that Lok Fu was formerly called "Lo Fu Ngam" (Tiger Rock). With such a nice name as Lok Fu, the community is faring well. President, it is certainly good to do so. However, the question is: What is the point of doing so if the essence of the community does not change? Today's Lok Fu and "Lo Fu Ngam" in the past do not represent simply a change in name. There has been a change in the entire community. It will not work unless there is a change in substance. If Tin Shui Wai does not undergo changes in its essence, household composition and the substance of community, meaning that there will still be a lack of job opportunities, a concentration of grass-roots people and inadequate social facilities, it will still be useless even if the town is given a new name.



President, there is still one more issue I wish to discuss. People watching news reports will find that not only Tin Shui Wai is a "city of sadness", many other districts are in a similar plight too. I believe the Secretary is also aware of the occurrence of a number of tragedies and similar family tragedies in Kwai Chung, for instance. Before the reunification, there were quite a number of facilities available in the community to help residents. Though these community facilities might not be the most satisfactory, they did offer assistance to a certain extent with, for instance, the setting up of single-parent centres, and so on. However, it is a great pity that these services have now been scrapped completely.

I sincerely hope that the Secretary can consider re-establishing in these districts similar community centres, including single-parent centres, new immigrant centres, and so on, and providing a greater variety of services rather than solely targeting individual cases. It is hoped that assistance can be offered to the residents in the districts such that they can lead social lives and foster a greater sense of belonging to their communities and their own family or social background, thereby upgrading their self-confidence in re-entering society. I hope more efforts can be made by the Government in this regard. In my personal opinion, the problem cannot be resolved by merely relying on the existing Integrated Family Service Centres operated under the Social Welfare Department and front-line social welfare workers to handle individual cases. President, in view of the large number of such cases, it is simply impossible for one social worker to cope. I think should Dr Fernando CHEUNG be given an opportunity to do so, he will definitely criticize the Secretary for requiring one social worker to handle 90-odd cases. How can one person handle such a large number of cases? Worse still, the number of cases might continue to rise. Hence, I hope the Secretary can keep this issue in view too.

Lastly, President, I would like to say a few words about distribution of resources. Many Honourable colleagues pointed out earlier that standard rate and profits tax concessions would even be introduced this time around. But what will our grass-roots people get? I very much share this remark made by a friend of mine. He said, insofar as the entire policy address was concerned, it could only hear the rich people laugh and did not hear the poor people cry. This is true. President, under the present circumstances, both people making profits and high-income earners are offered concessions. What have grass-roots people got from this policy address? Mr LEE Cheuk-yan described what they got as "crumbs" while some described it as "minimal". Nonetheless,

regardless of what was offered to them, it was actually so "trivial" that they would rather refuse to accept it because the offer lacks dignity, respect and concern. I think dignity and respect are most important for people in their lives. However, we have seen absolutely none of these in the policy address. At the same time, the Government has failed entirely to see the grass-roots people.

President, I so submit.

**MR ALBERT HO** (in Cantonese): Madam President, before speaking on the welfare policy, I would like to take this opportunity to give a fairly brief response to the strong criticisms made by Mr Jasper TSANG just now about Martin LEE's remarks — I believe this is permissible, right? It is because this is unexpected.

**PRESIDENT** (in Cantonese): Mr Albert HO, it was during the second session that both Mr Jasper TSANG and Mr Martin LEE delivered their speeches. I remember you were present at that time. If you should wish to respond, you should do so in that session. Perhaps you did not have enough time to consider it at that time, and now you wish to respond after careful consideration. I would give you leave to speak. However, I have to let other Members know that should they wish to respond after you have finished, I have to allow them to do so.

**MR ALBERT HO** (in Cantonese): I understand.

**PRESIDENT** (in Cantonese): There is nothing I can do if Members disrespect the House Committee's decisions. As the debate is arranged according to the "gentleman's agreement" among Members, not according to the Rules of Procedure, I will allow you to speak.

**MR ALBERT HO** (in Cantonese): Madam President, I see your point. As the comments made by Mr Jasper TSANG earlier amount to a serious accusation, I think it is necessary for me to give a brief response for the record.

First of all, Jasper TSANG has generally criticized Martin LEE for writing an article in *The Wall Street Journal* urging the country to make improvement in human rights issues in the light of concerns raised by the international community about the country's human rights conditions in the run-up to the Olympics. Jasper TSANG was of the view that an external force thus formed would interfere in our country.

I would like to raise one point which was actually raised by him earlier with reference to the particular expression "direct engagement" he mentioned. He said that Martin LEE urged foreign governments to have direct engagement with our country. We have to first understand that the word "engagement" means a two-way communication process and dialogue, including mutual persuasion and influence. Given its development today, I think our country will not oppose — not to mention today, I believe the country would not oppose engagement even a decade ago — so do we wish to see our country revert to the days of containment three decades ago when it was boycotted and besieged by others? No. We hope that the positions of all the parties involved can be clarified through engagement. This applies not only to Hong Kong's affairs, but also to national affairs.

Furthermore, I hope Members can look back at the time when Beijing bid for the right to host the Olympics last year, the Olympic Committee of China made it very clear that the sporting event was being taken very seriously not only because it could promote the development of Beijing Municipality as a whole, but also promote the overall national and social development, and even bring improvement to environmental protection, infrastructure, and human rights and freedom. This has been documented very clearly and even quoted in Martin LEE's article. Hence, under such circumstances, the international community does have expectations.

During my last trip abroad, I found a force — actually there were more than one force — calling for boycotts of the Olympics because of China's failure to honour its pledge. This is also the reason why the article was written. Obviously, the principal intent of the article is to oppose boycotts, because we hope the Olympics can be held successfully as scheduled in our country. However, while we are expecting this to happen, we also hope that no country will be incited by such boycotts and act accordingly. At the same time, we hope all other countries can have direct engagement with our country with the hope that the situation can be improved. This is our first starting point.

Second, as Chinese nationals, we hope the success of the Olympics hinges not merely on the number of gold medals China will win. We will be extremely proud to see our own country becoming a sports superpower, but also a rising civilized nation. Therefore, rather than a sports superpower or a rising powerful country, we hope to see China emerging as a civilized, progressive and liberal nation. In this regard, direct engagement can promote improvement. If the Honourable Member can interpret this article correctly, he will definitely not make such criticisms of calling for external force or external power to interfere with Hong Kong affairs.

I am extremely astonished by the use of such strong-worded expressions by Mr Jasper TSANG. There can only be two possibilities for his feeling that direct engagement is tantamount to interference. The first possibility is that he truly believes that our country cannot have direct engagement with others, for direct engagement will lead to adverse consequences and influence. Hence, our country will become extremely worried about lots of things and dread such powerful nations as the United States, Britain, the European Union, and so on. Such a mindset represents a strong sense of political and ethnic inferiority, and this is totally unjustified. Our country today must not act like what it was a century ago when it had to behave submissively in the face of any condemnations by foreign countries and powerful nations. Nowadays, all matters can be sorted out through civilized engagement so that a consensus can be reached by all means. This is the very first point.

If he does not believe in these words and feel that the remark was merely used to.....in other words, if he was politically motivated in making the remark so that he can make use of the words of Chairman MAO to pressurize people with different political views by stretching his imagination, I think this is unwarranted; neither should he act in this way. Nowadays, we think that Members should encourage each other and engage in liberal, open and civilized dialogue. I believe not only this Council, but also every council advocating freedom and democracy should act in the same manner.

Certainly, external force can be open to many interpretations. While there is no way for us to guess what President HU thought regarding whether the Central People's Government Liaison Office mentioned earlier was included, I believe it is perfectly understood that the role of the Central People's Government Liaison Office in Hong Kong is to co-ordinate affairs between Hong Kong and the Central Government. However, it will definitely not play any

role in co-ordinating and arranging for the territory's internal elections. Should it act in that manner, it will violate the spirit of "one country, two systems". Neither is this an established policy of the Central Government. Furthermore, the Basic Law has provided clearly that mainland organs should not violate the Basic Law by interfering in Hong Kong's affairs. Therefore, regardless of whether it is an external force, such kind of interference is unjustified. I have merely responded to this point very briefly.

Madam President, I now come back to the session on social policies. Yesterday, I made it clear in my speech that the concept of "progressive development" advocated by the Chief Executive is a most conservative political view. In the economic or social development sense, it is a concept of development completely devoid of the notion of justice. One of the main reasons is that our Chief Executive was not elected through a democratic system. His mindset is therefore determined, very naturally, by the structure of the system. Given the constraint of this system, his economic and social policies have to serve political purposes. This is a most miserable thing.

The Chief Executive's concept is very simple. Insofar as economic development is concerned, the concept of "progressive development" holds that economic development can create wealth, and more and more people will thus become rich. When the rich people make profits, their wealth will undergo a process of "trickling down", thus achieving the result of eliminating poverty. Actually, simply put, the rich will continue to be rich, or the rich will get richer and richer. As for the poor people, those who are clever or lucky enough will climb up the ladder. However, the majority of poor people will not be able to do so. As a result, they can only stand by the table — as mentioned by Mr LEUNG Yiu-chung just now and Mr LEE Cheuk-yan yesterday — and end up having some crumbs to eat, probably.

Such policies have also been clearly formulated in the policy address. The SAR Government will not propose any financial policies to promote transfer of wealth to achieve justice, which should in turn, among other things, narrow — instead of ending — the wealth gap. Unfortunately, what is practised in Hong Kong has become capitalism with some Chinese characteristics. What do Chinese characteristics mean? It is believed that some people should be allowed to get rich first before other poor people will gradually be benefited — this is also the case on the Mainland too. However, such a capitalist system is most backward, inhumane and unjust. Actually, the present century has seen the

need for the capitalist system to undergo major changes in terms of improvement, progress and greater humanity. However, none of these can be achieved.

Is this theory of trickling down to be followed by social mobility well-founded? Is it compatible with the reality? Actually, history has told us that this has not been the case. Does it mean that various strata of society can automatically get a reasonable share of the fruit of prosperity? Madam President, we did not see that happen in the past.

Actually, an M-shaped society has emerged in Hong Kong. The condition is critical as, compared to a decade ago, our Gini Coefficient, now standing at 0.533, has become even worse. The situation is most terrible. On the one hand, Hong Kong is an internationally renowned financial centre as well as an affluent city. As it is known to everyone, many tycoons in Hong Kong top the list of the super-rich in the world. On the other hand, there are a large number of poor people in Hong Kong too. While more than a million people are suffering from working poverty, there are more than 900 000 elderly people who are aged over 65, with one-third of them living below the poverty line.

Therefore, it is extremely dangerous for the Government to repeatedly emphasize its powerlessness and its "small government, big market" principle without regard to the mercilessness of our market because of its blind faith in the market's capacity to make every adjustment. The increasing wealth gap, a cause of social instability, will only contribute to and intensify social conflicts. Without long-term social stability, our economic development will not sustain.

Hence, we have repeatedly stressed that, without democratization of the political system, there is no way for us to promote social justice and ensure that every stratum can enjoy the fruit of economic success. Unfortunately, this is precisely the structural cause I mentioned just now, given that the Chief Executive was returned by a "small-circle" election. Therefore, as pointed out by many and shared by critics, the entire policy address is intended to thank the voters. It has sought to express thanks to the 800 voters participating in the "small-circle" election with a giveaway of billions of dollars — per annum — to the wealthiest persons. This is most frustrating.

We believe the poverty problem must be tackled now, and it is absolutely imperative to deal with it as our priority task, because social stability will be threatened if this problem is not tackled properly. We hope the Government

can expeditiously draw a poverty line and then come up with some indicators and action agendas for eliminating poverty. Before the poverty problem is properly resolved, the Commission on Poverty should be retained. Therefore, the Democratic Party strongly urges the Government to re-establish the Commission on Poverty. Furthermore, relevant Directors of Bureau, under the leadership of the Chief Secretary for Administration, should work with Members to resolve the poverty problem.

I certainly do not mean that the policy address has not mentioned anything about the poverty problem. We do agree with some of the proposals raised by the Chief Executive to tackle inter-generational poverty. For instance, we welcome the proposal of introducing small-class teaching in the education domain — though it is a bit late. As for the establishment of a Child Development Fund, a proposal raised by us two years ago, we are pleased that it is accepted by the Government, though the Government has yet to present details on it. I hope it can really benefit the grassroots, and the poorest families will not be excluded because both parties are required to make contribution. While strengthening training is vital, as we have repeatedly mentioned to the Secretary, training programmes should better meet the needs of the times and society. Otherwise, we may end up having a large number of trainees who are still out of work.

Besides the problem of inter-generational poverty, we also have to address the problem of contemporary poverty, that is, poverty of the present generation. We are now confronted by several types of poverty problems. To help people suffering from working poverty, the existing system should be improved. In our opinion, some improvement can be achieved by the proposals raised by the Commission on Poverty. For instance, relaxing CSSA will allow low-income earners to continue to receive CSSA. They will then be encouraged to work hard, and their conditions will not get even worse than when they were out of work and relying only on CSSA. This is good for them. However, such work needs further improvement.

As regards the cross-district travel allowance, I consider its scope too narrow and its validity period too short. I have expressed my wish direct to the Secretary for conducting a review and bringing improvements. Furthermore, our social institution should be improved in a comprehensive manner for the sake of the socially-disadvantaged, such as the elderly, the vulnerable, people with disabilities, single parents, new immigrants, chronic mental patients, and so on.

We have also repeatedly pointed out that contributory retirement protection should be considered. As Members are aware, given the fast ageing population of Hong Kong in one or two decades, the pressure on society will increase accordingly. A comprehensive retirement protection scheme is therefore warranted. I hope the Government will act promptly.

The elderly problem is our key concern this time around. Actually, the United Nations Commission on Human Rights International responsible for scrutinizing the Covenant on Economic, Social and Cultural Rights strongly expressed in its previous report that many elderly persons in Hong Kong were facing poverty problems. I hope the Chief Executive, while stressing our identity as new HongKongers, will not forget those old HongKongers by considering that they are old, old-fashioned, and outdated, and are unworthy of his attention.

Actually, we are very disappointed and deeply grieved to note that the Chief Executive should give away billions of dollars as tax concessions for the richest people, and yet he can be so mean in increasing the meagre "fruit grant". Therefore, the most important point in the amendments we propose today is to increase the rate of the "fruit grant". This is not just a matter of dignity, it is virtually the basic need of many people. By raising the rate of the "fruit grant", their livelihood can be improved in concrete terms. For various reasons, many people cannot apply for CSSA. For instance, some elderly people who are living with their children cannot apply for CSSA because they do not want their children to make declarations and sign the so-called "bad son statement" to declare that they will not support their parents. We think that this problem must be addressed. Furthermore, we hope that the waiting time for residential care places for the elderly can be shortened.

Lastly, the family tragedies occurred in Tin Shui Wai, as repeated accusations, have reminded us that we should get our job done. In this connection, a number of social security schemes must be strengthened. Besides neighbourhood counselling, strengthening of mutual aid and cohesion of mutual aid in society, we should tackle the cases properly (*the buzzer sounded*).....

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



**MR TAM YIU-CHUNG** (in Cantonese): President, it happens to be my turn to speak. After listening to the comments made by Chairman Albert HO just now, I feel I cannot help give a response here to set the record straight. I was extremely shocked when I read in the newspaper quotations from an article written by Mr Martin LEE and published in *The Wall Street Journal*. I made a special effort to trace the original text for a good look because it was not enough to rely solely on the quoted remarks. After reading it, I could really not imagine how a Chinese could have travelled to the United States to urge the United States President to use the Olympics to be staged in China in August next year to exert pressure on China, instead of calling for a dialogue between the two countries. Although Mr Martin LEE insisted in the press conference that what he meant was engagement, it was absolutely not the case. It was actually an invitation for exertion of pressure in a bid to interfere in China's internal affairs. Actually, the hidden agenda was to hint to China that it would be boycotted should it refuse to succumb. Despite his explanation in the press conference that he did not mean to boycott the Olympics, and he made the remarks simply because some people were attempting a boycott and he did not wish to see something like that happen. However, it was actually not the case. It is also evident in his article that it was not the case. He did make it clear in his article that he would encourage the campaigners, that is, people who are prepared to boycott the games. Therefore, people having read the entire article will find that the remarks he made at the press conference were actually intended to make amends. However, his attempt has proved to be futile because the article has already been published. While it can be argued that a speech might have been misunderstood because there is no tape recording or written record or someone might even be blamed for misquoting. However, everyone can understand on reading the article because his words are in black and white with no ambiguity. Mr Albert HO, will you stay a bit longer as I have a suggestion for you. Since you are the Chairman of the Democratic Party, you have two options. You may either draw a line with the remarks made by Martin LEE or ask him to apologize to all Chinese people. Otherwise, should the situation continue, it will be even harder to placate public grievances. Nonetheless, President, I know what is on your mind and I know when to stop. I will come back to my original speech.

In this policy address, the Government proposes eight specific initiatives under the elderly welfare policy, including providing additional subsidized places in residential care homes for the elderly (RCHes) and more day care places for the elderly, organizing training programmes for carers of the elderly,

introducing health care vouchers, providing one-stop support services to elderly discharges, and so on. The amount of funding to be allocated is roughly estimated to be at least \$600 million. All these initiatives are supported by the DAB. However, the elderly are very disappointed that the policy address has not gone far enough in assisting the elderly in improving their livelihood as a whole and, in particular, failed to raise the amount of "fruit grant" (Old Age Allowance).

The Government explains that the provision of the "fruit grant" was originally meant to be a token of the Government's appreciation for the old folks. It is not the Government's hope that the elderly rely on these hundreds of dollars as their living expenses. However, in reality, many elderly people treat the "fruit grant" as a major component of their living expenses. This is why many elderly people have to tighten their belts when Hong Kong was once again hit by inflation and soaring prices recently. This will affect the physical health of the elderly in the long run.

Some members of the community have raised this question: Why do these elderly people in poverty not apply for CSSA, given that a safety net is already in place? This point has also been raised by the Chief Executive frequently. They do not understand what is on the mind of the elderly. The "fruit grant" and CSSA are diametrically different in nature, for the former represents a token of appreciation while the latter is treated as "handouts". Despite their stringent financial conditions, the elderly do not wish to apply for CSSA unless absolutely necessary. Furthermore, some elderly people have their own difficulties for they prefer living with their children in a large family so that they can care for one another. However, some of their children are not high-income earners and obviously have good intentions but a lack of ability to care for the elderly in the family. Or at the very most, the elderly can only live or have meals with their children under one roof. Some of them have even encountered problems with sharing meals with their children. Even if some children manage to meet the needs of the elderly in these two aspects, they might not be able to cope with other needs of the elderly in their daily life, including their health care needs. This explains why the "fruit grant" is considered by these elderly people as their major financial support.

On the other hand, family is treated as a simple single unit for the purpose of applying for CSSA. Many elderly persons living with their children are ineligible to apply for CSSA because their children have stable income. If they

wish to apply for CSSA, they must not live with their children and must require their children to sign a declaration, commonly called a "bad son statement", stating that they do not have the means to support their parents. As a result, a considerable number of elderly people are in a quandary because they do not want to move out and they want to live with their children.

Therefore, raising the amount of "fruit grant" is the most direct way to help these elderly people and the only way to benefit the largest number of recipients, despite the fact that it is not ideal. Furthermore, the existing amount of "fruit grant" has remained unchanged for nine years without any adjustment. When I was Chairman of the Elderly Commission, the Government proposed to slash the "fruit grant" in view of deflation. I reacted very strongly at that time and told Secretary Dr YEOH Eng-kiong that I would resign from the post as Chairman of the Elderly Commission should the "fruit grant" be slashed. As the Government's coffers have abundant reserves at the moment, it should be the appropriate time for the Government to improve the situation by raising the amount of "fruit grant" to help the elderly improve their livelihood.

Nowadays, many elderly people who cannot cope with Hong Kong's high inflation and spending and wish to return to their hometowns to spend their old age there sincerely hope that they can obtain the "fruit grant" and live on the Mainland. Owing to the 240-day absence rule, however, they are forced to stay in Hong Kong for not less than 120 days. As they have the constant worry of their "fruit grant" being deducted or failing to obtain the "fruit grant", they have to frequently count the number of days of absence. Furthermore, they might need to travel a long way back to the territory to report to the Government and keep an accommodation unit in Hong Kong. This will cause great inconvenience to elderly people with mobility disability.

Hence, over the years, the DAB has indicated repeatedly to a number of Secretaries of Department and Directors of Bureau our request for the abolition of the absence rule. Although the Government has frequently mentioned the technical problem of ensuring that the "fruit grant" is not abused, the problem should not be difficult to resolve. For instance, it is simple and convenient for the Immigration Department to keep the immigration records of the elderly without any technical difficulties. However, for reasons unknown, the Government has always made things difficult for the elderly because of these trivial problems. I sincerely hope that the Government can have a better understanding of the elderly. I also believe Secretary Matthew CHEUNG can

do this because of his track record of having a very in-depth understanding of labour problems. The Government must truly appreciate the present circumstances of the elderly and what is on their mind. It is not enough to purely consider some of the overall policies in the past. I hope the Government can truly study the issue and gain an in-depth understanding. During our meeting two weeks ago, I was told by Secretary Matthew CHEUNG that he was willing to conduct a review of the positioning of the "fruit grant" and study ways for improvement. I hope the review, regardless of its coverage, will not be dragged on for too long. The Government must expeditiously answer the aspirations of society and the needs of the elderly. At the same time, the outcome of the review should fulfil the wishes of the elderly and take into account their needs.

As elderly persons are inevitably prone to various illnesses due to their age, inexpensive and easily-accessible health care services are very important to them. The health care vouchers scheme introduced in the policy address for the first time can help the elderly resolve the problem of being constantly required to wait a long time for public hospital services. The starting point of the Government in this regard is greatly supported by the DAB. Although some elderly persons think that the Government should raise the amount of "fruit grant" direct as it is fast and efficient to do so, and no administrative costs will be incurred, we still think that the health care vouchers scheme is good and helpful to the elderly. However, I think the scheme has not gone far enough. Given that each elderly person is offered only five health care vouchers worth \$50 each, the number of vouchers is inadequate, and the amount of the financial assistance is too little! Although I have once raised this issue direct with the Chief Executive in this Chamber, I was given an explanation from the Government that it was feared that the scheme might be abused for it was introduced for the first time, and so the Government had decided to try it first. The DAB disagrees with this point of view adopted by the Government. To prevent abuse, the Government should enhance its measures and mechanism instead of deliberately lowering the amount of money. Does the Government think that there is little possibility for \$250 to be abused, and the chances for abuse will be raised correspondingly should the amount of the vouchers be raised to \$500 or even \$1,000? Furthermore, from my experience of contact with them, the elderly are always law-abiding. They will think that they make a terrible mistake should they be prosecuted by the Government for deliberately breaking the law. Hence, there is a popular saying among the elderly, "one never steps through a government office door in one's lifetime". For the elderly, stepping through a

government office door in one's lifetime is like "going to hell after death". We can therefore rest assured that they will not break the law for a tiny sum of money. On the contrary, some civil servants were found doing something like that. However, there is a difference between the two. A handful of civil servants might know too much and probably want to get away. This is not true of the elderly. To put it in a vulgar way, the elderly are chickenhearted. They will get scared easily even when dealing with trivial matters. Hence, they will not act indiscriminately and break the law for abuse of just a tiny sum of money. They will not act in this way. Therefore, I think the Government should expeditiously increase the amount and number of health care vouchers and further consider the actual needs of the elderly. We have also proposed that the medical charges levied by the Hospital Authority (HA) on the elderly be reduced by half, for this issue has often been raised by the elderly. Although the Government is responsible for bearing the bulk of the burden caused by medical expenses, the elderly are still very concerned about the expenses because, for each out-patient consultation, they have to pay for each of the drugs prescribed. Those visiting the out-patient clinics operated under the HA might also need to take a taxi because of mobility disability. All in all, they will consider it a burden for they need to spend a total of more than \$100 for each medical consultation and collection of drugs. Therefore, they have proposed that the medical charges levied on them be reduced by half. On the whole, we have raised these proposals in the hope that Secretary Matthew CHEUNG can strive to help the elderly ameliorate their health problems and resolve their financial difficulties.

President, in this year's policy address, the Chief Executive has indeed made some efforts to improve the welfare of the elderly. However, owing to the ageing population in Hong Kong, the demand for elderly services is still enormous. It is still necessary for the Government to expeditiously improve its services in many aspects.

For instance, the present waiting time for RCHEs is still very long. As of the end of last month, more than 23 000 elderly persons are still in the waiting line, with the average waiting time for subsidized RCHEs reaching 32 months. Although the policy address has decided to provide an additional 700 RCHE places, the shortage of RCHE places can still not be eased. We have seen that many elderly persons who are reluctant to wait or have the urgent need to be admitted because of health problems can only choose private RCHEs. As some of the elderly come from poor families, they can only pay for the RCHE charges

with their CSSA. However, the amounts of CSSA, ranging from \$3,000 to \$4,000, are limited. As the saying goes, no lavish meal can be prepared with limited rice. The quality of services provided by the RCHEs is therefore imaginable. This has often led to negligence of care on the part of the RCHEs.

Besides caring for the elderly, family problems are also a major issue calling for urgent attention in Hong Kong society in recent years. Despite the announcement in the policy address last year of the Government's plan to establish a Family Commission, the Family Council was not officially set up until this year. Furthermore, it has only two years to implement its plan. In the opinion of the DAB, the time for implementation is too short. Furthermore, the Government has neglected the importance of complementing family-related and other policies as family affairs also involve other domains, such as policies relating to education, business and commerce, taxation, and so on. It can be said that the Government must promote its initiatives with an "all-weather" policy, as the initiatives cannot be fully implemented within a couple of years.

As regards the spate of family tragedies occurred recently, members of the public have invariably questioned the adequacy of the resources provided by the Government. In this connection, the Government must provide additional social resources. Furthermore, communities should promote mutual support, and district organizations, mutual aid committees, Members' offices, the Social Welfare Department, the Home Affairs Department, police stations and schools should maintain close liaison and co-ordination among them (*the buzzer sounded*).....

**PRESIDENT** (in Cantonese): You still have one more minute.

**MR TAM YIU-CHUNG** (in Cantonese): ..... so that prompt responses can be made and active follow-up actions taken when problems arise.

It is imperative for various government departments to pay close attention to the fact that some of the family tragedies occurred recently are related to the mental problems of the case subjects. During my meeting with Secretary Matthew CHEUNG, I was told that the teams to implement the co-ordinated community mental health scheme were ready to target mentally ill patients and

their families, and work would commence in Yuen Long District. We hope the Government can extend the scheme to all other districts and enhance the manpower.

Thank you, President.

**MR ALBERT CHAN** (in Cantonese): President, two big wigs of the DAB attacked Martin LEE earlier on, and I wonder if it has to do with the District Council elections in the pipeline. If it is said that foreign forces are influencing politics in China, I think their influence is absolutely no match for that of the Soviet Union on the Communist Party of China (CPC) in the '40s and '50s when the CPC invited political advisers and military advisers from the Soviet Union to come to the sacred soil of China to teach our political leaders in China to conduct military and political activities. If Martin LEE should be condemned for what he had done, then, should leaders in the top echelons of the CPC become sinners of the nation?

If we should gauge from the angle of foreign intervention, would the DAB please comment on the fact that the CPC is the forerunner in inviting intervention by foreign forces into China. Martin LEE was only following certain practices of MAO Zedong, in an attempt to change certain political behaviour in Hong Kong. If what he did was wrong, MAO Zedong did it wrong first; if he should be condemned, MAO Zedong should be condemned first.

In fact, President, over the last couple of years, I have seldom taken part in these political debates because I have seen during the period many family tragedies in Tin Shui Wai and Tung Chung. I think there are certainly reasons for political disputes, but I was greatly saddened when I saw voters in my district or constituency having committed suicide one after another. I have seen the Government's indifference to these incidents, and this has enraged me even more.

This policy address is meant to create a society where "wine and meat behind the red door smelled foul, while on the road there were frozen dead bones". It is a policy address which fawns on those people in power; it is a policy address which lacks humanity and justice. Hong Kong is an affluent city but in this society, there is injustice; there are people living under the poverty

line, which is still a common phenomenon as 1.2 million people are living below the poverty line. Faced with a situation plagued by "congenital deficiency and acquired malnourishment", the hundreds of thousands of residents in new towns are living in dire straits.

President, I have looked up the speeches that I have made in the Legislative Council over the years, and I have never ceased to make these remarks since I returned to this Council in 2000. I have found some records: In 2004, for example, I said, "...in the reduction and prevention of the occurrence of domestic violence, the Government really does have a responsibility. If it continues to stand aloof, it will only become an accomplice to domestic violence.". In September 2004 I criticized the Government for being unsympathetic and not lending a helping hand to people suffering severe hardships, and I said that this constituted a collective dereliction of duty on the part of the Government. In January 2005, I once again urged the Secretary to review the Government's attitude in policy implementation, seriously work to identify inadequacies and expeditiously make decisions on the works projects in new towns to facilitate their early commencement, so that residents, especially residents of Tin Shui Wai and Tung Chung, will not be deprived of the chance to enjoy the welfare and powers as enjoyed by the public in general as a result of policy blunders of the Government.

Over the past seven years I have kept on repeating these remarks, but it seems that these voices and criticisms do not produce an effect as strong as that of the recent family tragedy. The entire society was shocked and the Government seemed to have suddenly awakened to the fact that it has not done enough in some aspects. It is invariably the case that the Government will wake up only when deaths are resulted and tragedies or particular family tragedies occurred.

I already said in this Council several years ago that one day when I was sitting in my office in Tin Shui Wai, a kaifong suddenly came in and said that someone had jumped from a building. I went out and saw that a kaifong had jumped from a building. Three days later, a kaifong came and said, "Mr CHAN, somebody had jumped from a building." Somebody had jumped from a height at the back of the building. Then few days later, a kaifong came in and said that somebody had burned charcoal in the same building. In only seven to eight days there were three suicides. These incidents were not reported in press. Nobody in this Council had expressed concern about these incidents, and



it seemed that the Government was unaware of them. However, we in the districts do see the continued recurrence of these tragedies every day.

I have requested the Government time and again to expedite the works projects in the towns of Tung Chung and Tin Shui Wai, as Mr Patrick LAU must know very well. I remember that during a meeting with the Home Affairs Bureau on these projects in 2005, a Miss CHOI was very eloquent in her arguments. I refuted her that while she was very eloquent in her arguments, she really must have regard to the living of the people. It was only after a few more deaths that the Government started to speed up the projects in Tin Shui Wai and Tung Chung.

The financial provision made by the Government is very disappointing. In 2000, before the Government scrapped the Municipal Councils, the annual public works expenditure involving cultural and recreational facilities was \$1.46 billion on average, but from 2000 to 2005, the annual average spending was cut to \$680 million, that is, it was cut from \$1.46 billion to \$680 million. This is what I mean by "congenital deficiency and acquired malnourishment". The Government cut the expenditure on public works because of budget deficits, and many Members had expressed support for that budget back then.

I have time and again said that in Tin Shui Wai — not only in Tin Shui Wai; the situation is similar in Tung Chung North, Yat Tung Estate in Tung Chung, and so on. The problems in Tin Shui Wai are serious. Let me tell Members that I reckon the juvenile problem will erupt in Tin Shui Wai in three to five years and so, please step up the prevention work. Tin Shui Wai is congenital deficient due to factors unique to the district, as its demographic profile is very different. Firstly, over 80% of its population are public rental housing (PRH) tenants, and in just two to three years' time almost 100 000 people moved to Tin Shui Wai North. That is because of the speedy construction of PRH units at that time and certain blunders in urban planning and as a result, tens of thousands of people have moved in within a short span of time. Tin Shui Wai also has very special demographic features. Families with old husbands and young wives are particularly common. Some residents were engaged in manual labour, such as working as construction workers, in early '90s and made a handsome income. They could often earn \$2,000 or \$3,000 a day at that time but now, they could not even land a job which pays them \$300 a day. At that time, they were the envy of many people as they returned to their

hometowns with fat pockets to get married. They married beautiful wives and brought them together with their children to Hong Kong.

Now, which is 10 years later, these people may become unemployed and have to receive Comprehensive Social Security Assistance (CSSA). These people may, therefore, develop psychological problems. Similarly, their wives may also be unable to adapt to the changes they faced and may even be discriminated against by other people. The most unusual factor is that these families are not provided with any support when they face problems, for they do not have other family members to support them. If we have problems, we can turn to our family or relatives or friends, but many of these people who have moved to Tin Shui Wai do not have relatives around to support them.

In North Point and Tsuen Wan, there are many kaifong associations and clansmen associations to provide assistance to the residents, but no clansmen association can perform this role in the entire district of Tin Shui Wai, because the Government does not permit the provision of these services in PRH estates. Some welfare agencies had tried in vain to find places for opening these services, because there are only two landlords in Tin Shui Wai: one is Cheung Kong, and the other is the Government which has now been replaced by The Link. These agencies cannot find a place to provide service despite their wish to do so. Even chapels and churches are not allowed and so, these facilities cannot be found in Tin Shui Wai at all. Our Chief Executive can go to that beautiful and grand church in Central, but in Tin Shui Wai, be it Buddhism, Taoism or other religions, there is simply nowhere for congregations. The entire urban planning allows no opportunity for the development of these support and community facilities. I have drawn attention to these problems before. Please look up the records. The records are all there.

So, under the present circumstances, as I said to the Secretary in the Ante-Chamber earlier, in view of the very pressing situation, the most practical and most urgent task now is to make some adjustments to the existing integrated family service, because integrated family service is unlikely to achieve effective results and perform its so-called preventive and supportive functions in a community with a population of 100 000 to 150 000. To make these services truly effective, they must be provided in a focused and target-specific manner.

I organized social and family services in Shan King Estate, Tuen Mun, 20 years ago, and it was specified at the time that the services would target a

community with a population of 30 000 to 50 000. After the Government conducted a review, the services were, for political reasons, turned into neither fish nor fowl. If it is genuinely intended to provide support services which can help build up a community network, a focused approach must be adopted in setting up a systematic and effective support network in the community. It is impossible to carry out a lot of work in a community with 100 000 to 150 000 residents. So, I hope that the Secretary can really seek emergency funding from the Government, so that in every integrated service centre, about five to six teams with perhaps one or two social workers and some other support can be set up to provide services specifically in certain housing estates. For instance, one of the teams can be responsible for Tin Yiu Estate, one for Tin Tsz Estate, one for Tin Shui Estate, and then one for Tin Chak, one for Tin Hang, and so on. Each team will be exclusively responsible for one estate, with the objective of setting up for tenants of the estate an effective, systematic and useful social support network.

I think this is practicable. The Government has a reserve of so many billions of dollars, and the tax rebate and rates relief will cost the Government billions of dollars. I think a number of voluntary agencies are willing to take part in the provision of these services and to make an effort to ensure their effectiveness. However, the Government cannot sit by with folded arms. It cannot be heartless, and it cannot turn its back on people in severe hardships. As I said when I took the Government to task in a meeting in November 2004, I do not wish to repeat these criticisms in this Council anymore. The tragedy of this three-member family is a shocking incident. If the Government continues to do nothing, I can foretell that these tragedies will happen again and again.

Yesterday I met with a number of kaifongs in Tin Shui Wai. They have similar problems, some of which are extremely ridiculous. A Secondary One student had stolen something from the school and the headmaster had, to a certain extent, used carrot and stick to make the parent sign the letter of withdrawal. The headmaster made the parent sign the letter of withdrawal without finding another school for the student. How can this single parent living in Tin Shui Wai find a school for her daughter? This is frustrating and stressful, and these problems, as they accumulate, will lead to family tragedies and yet, they are not provided with any support. Very often, these problems are created by those people of high repute in society. Headmasters are only concerned about the reputation of their school and so, they do not wish to keep

these students in their schools and they only hope that these students will withdraw.

President, with regard to other areas mentioned in the policy address, apart from social welfare which I have just discussed, health care service is also a very important area, and I would like to add a few points about it. President, we have campaigned for the provision of an integrated medical service building in Tin Shui Wai for years. In fact, plans were already made seven years ago on the construction of this medical service building, which also includes elements of social welfare. But given co-ordination problems after the reorganization of the Hospital Authority and the Department of Health, the project has been delayed for a few years and as a result, no health care service is provided in Tin Shui Wai North inhabited by a population of 150 000. I have once again brought this to the attention of Secretary Dr York CHOW earlier, and I hope he can really make a decision on its construction. The occurrence of the family tragedy should make it easier to seek government funding. I hope that the Government will expeditiously provide these services, so that residents in Tin Shui Wai can be given these services early.

Moreover, President, there are problems with the co-ordination among various service units. In fact, I already wrote to the Social Welfare Department months ago, pointing out that the occurrence of this family tragedy had reflected communication problems among various services, such as rehabilitation service and family service. The Government has placed a myriad of responsibilities, such as the management of some hostels, under integrated family service. In my last letter to the Government, I drew its attention to the problem in Tung Chung. In Tung Chung, there are 100-odd singleton units for ex-mental patients, and there is one organization providing services to them, but should there be a problem with the services in the district, it will have to be dealt with by the integrated family service centre.

We have received complaints from some residents stating that the ex-mental patients have caused nuisances to the residents. We then tried to find out which organization is responsible for providing the service. After much correspondence and many attempts to trace the service provider, we finally found out that the service should be provided by the relevant integrated family service unit in the district. But when we made enquiries with them, they nevertheless did not have any information of these ex-mental patients. My query is that since the services are provided by these organizations, why can they

not set up a systematic mechanism for co-ordination and communication in respect of the delivery and recipients of service, so that preparation can be made properly to provide services to people in need when problems do arise?

I think these problems are only the tip of the iceberg, comparing to the many problems in our social welfare services as a whole. I hope that I will have a chance to sit down with the Secretary and discuss with him in detail, in order to identify ways to rectify and address the problems. These problems are signs of the outbreak of crises. Residents' dissatisfaction will put pressure on the ex-mental patients. Confrontations and conflicts will subsequently arise and when that happens, they may resort to violence to attack each other, which will lead to tragedies. So, if we fail to ensure good co-ordination at an initial stage, tragedies are set to occur.

If I go on talking about this, I may create a tragedy for myself as my blood pressure rises, which will lead to problems with my health. *(Laughter)* So, President, I had better stop here, for I do not wish to create any tragedy.

Thank you, President.

**MISS TAM HEUNG-MAN** (in Cantonese): Do not worry, Mr CHAN. We have Dr KWOK Ka-ki here to help you.

Madam President, in this session of the discussion, I will express my views on public finance, women's issues, social enterprises, long working hours and the "fruit grant" for the elderly.

As the old saying goes, "The problem lies not in the scarcity of resources, but in its uneven distribution." A people-based government must distribute public resources fairly for all people to enjoy them. The Chief Executive also admitted in the policy address that the fruits of economy recovery are not enjoyed by all Hong Kong people. But the Chief Executive seems to be just paying lip-service to this phenomenon in society and has not fully responded to it.

In the entire policy address, the most concrete relief measures are the reduction of the profits tax rate and standard rate of salaries tax, and a waiver of rates for the last quarter. It means that those who will benefit most from the

policy address are the consortiums, major landlords and "top earners", but the grassroots and even the middle class will not benefit much from it. Could this be a fair distribution of the fruits of economic success?

The middle class has all along been crucial to social stability in Hong Kong. Why is the Chief Executive willing to spend \$5 billion on reducing the profits tax rate and standard rate of salaries tax, but silent on broadening the tax band and reducing the marginal tax rate to the benefit of the middle class? Although the Chief Executive and the Financial Secretary, in order to make up for this blunder, said subsequently that the relief measures would cover the tax band and the marginal tax rate, why, if such being the case, was the policy address completely silent on this? The Chief Executive could have said that the standard rate would be reduced if there would be surplus money to do so after adjusting the tax band and the marginal tax rate. Is this not a better approach? It cannot be clearer as to whether or not the Chief Executive can understand the plights of the middle class.

Besides, since the substantial reduction of the Comprehensive Social Security Assistance and the various allowances under and the Social Security Allowance Scheme, the payments of these allowances have not returned to the levels before their reduction despite a strong rebound of the economy. When the tax rates have returned to the levels back in those years before the tax increases, why is it that the social security allowances for the poor and the vulnerable still have not been increased significantly? This way of resource distribution will only create division in society to the detriment of social harmony. I think this is not what the Chief Executive would wish to see.

On the other hand, I must really question the philosophy of fiscal management of the Government. It has stressed the need to maintain sufficient fiscal reserves to cater for contingency in line with the principle of fiscal prudence. In the Budget debate in March this year the Government also strongly insisted on this point. Secretary Frederick MA even said that our fiscal reserves must reach a level equivalent to 30% of the Gross Domestic Product, which means \$450 billion. While these words still ring in our ears, why can the Government propose substantial tax cuts today?

I hope that Financial Secretary John TSANG and Secretary Prof Ceajer CHAN can tell me how much Hong Kong should keep in its reserve. If the current level of our reserve is higher than the reasonable level, the excess should

be returned to the people. So, I hope that the Government can explain to us clearly the situation of our fiscal reserve.

The policy address has also proposed many new policies which require recurrent spending, such as 12-year free education and small-class teaching. These are the Government's recurrent expenditure, which has to be met by recurrent revenue. However, the Government has considerably reduced the direct tax which means a reduction of recurrent revenue. What will happen? The SAR Government will further rely on non-recurrent revenue and this will jeopardize fiscal stability.

I understand that all Hong Kong people, including myself, would welcome tax reduction. But we must appreciate the practical situation. If new items of recurrent expenditure are expected, should we give priority to introducing one-off relief measures to return wealth to the people and propose tax reduction only when there are surplus funds to do so? I hope that the Government will think about this carefully, in order not to compromise the flexibility in fiscal management in the future.

Madam President, I also wish to take this opportunity to talk about social enterprises. I am not against the measures taken by the Government as an encouragement to social enterprises, but I think that social enterprises should not be taken as the only policy to assist the disadvantaged to rejoin the labour market. The interests and talents of some people often may not suit the needs of social enterprises. Therefore, while advocating the development of social enterprises, the Government should also take care of the disadvantaged and provide job training as well as other support to them, in order to facilitate their employment in the open market.

In respect of family affairs, the policy address has finally decided on the establishment of a Family Council. It means that this new Council will take over the work of the existing Women's Commission, Commission on Youth and the Elderly Commission. In fact, I feel concerned about this arrangement because some of the work currently within the remit of the three existing commissions may not be very much related to family affairs. Will the establishment of the Family Council render these areas of work affected?

For example, the existing Women's Commission is promoting a self-study programme to encourage women to pursue studies. Will this kind of

programme continue to be implemented after the establishment of the Family Council? Another example is that the promotion of women's participation in social affairs and public duties seems to be not directly related to family affairs. Will this area of work be neglected? I hope that government officials will explain this.

Madam President, long working hours is also a problem. A number of colleagues have expressed their views on the problem of long working hours earlier on. I very much share their views on the severity of the problem of long working hours. Over the past couple of months, I have conducted a questionnaire survey to look into this problem and its impact on health. Particularly in the accountancy sector, according to the questionnaires returned to me, 90% of the accountants work overtime, and 80% of them work overtime for about three to four times a week and for one to three hours on each occasion, while 15% work overtime for three to six hours. Overtime work has affected accountants mainly in terms of their health, for overtime work will take a heavy toll on health. The first effect is that the number of days of sick leave will increase, and Madam President, their taking sick leave will result in losses in productivity. Moreover, long working hours will deprive employees of a lot of their rest time, thus creating heavy work pressure on the employees which is hazardous to their health. I hope that the authorities will follow up the problem of long working hours.

Furthermore, some colleagues mentioned the "fruit grant" for the elderly earlier on. I very much agree with the proposal made by the Chairman of the Democratic Party and the Chairman of the DAB of increasing the "fruit grant" for the elderly. In fact, we in the Civic Party have recently organized many signature campaigns in the districts, and it has turned out that many people support an increase in the "fruit grant" for the elderly. Some colleagues said earlier that the elderly do not wish to draw the "doles"; nor do they want their children to sign the "bad son statement". Such being the case, to the elderly people, the "fruit grant" is a retirement payment to support their living in their twilight years. When they were young, they had made a lot of achievements for Hong Kong people. So, when they are old, we have the duty to improve their quality of living, and an increase in the "fruit grant" has a significant meaning to them. So, I hope that the Government will not only reduce tax and provide support only to the rich people. It must also take care of our elderly to ensure a secured and stable old age for them.



Finally, Madam President, I would like to say that the distribution of public resources has a bearing on social cohesion. While it is necessary to ease the burden on taxpayers, it is also necessary to provide adequate support to the disadvantaged groups. We absolutely must not be discriminatory. Harmony will not be achieved merely by chanting slogans. It is only when the Government can uphold fairness and justice in implementing policies, adopt a caring and accommodating attitude and achieve equal opportunities that resources can be evenly distributed.

I so submit. Thank you, Madam President.

**MR BERNARD CHAN:** Madam President, the recent tragedy in Tin Shui Wai is a reminder to us all that we live in a very fractured community. That particular new town is perhaps an extreme example of poor planning. It is interesting that people from the rest of Hong Kong think nothing of going to Stanley, or Sai Kung, or Causeway Bay, or the shopping malls of Sha Tin or Mong Kok or Kowloon Bay. No one ever goes to Tin Shui Wai — not for pleasure.

It is almost as if the place has been abandoned. Apart from the Hong Kong Wetland Park, which is situated to one side of it, there is nothing there for the rest of Hong Kong, let alone overseas visitors. I wonder whether the rest of the community can care enough to put that right. I have heard several ideas, for example, basic but fun adventure playgrounds for children, relatively simple ideas which could help attract people out to the place, create some job opportunities and perhaps improve the town's image.

The sort of projects I am thinking of would probably be social enterprises. And I was very pleased that the Chief Executive addressed this subject in his policy address.

There are some challenges facing the idea of social enterprises in Hong Kong. They are usually small-scaled, while the lack of opportunities for the disadvantaged is a big problem. There is a danger that if they are given help by the Government or business, they will compete unfairly with other small companies.

If we look at experience overseas, they seem to work best in places with a tradition of civic groups, self-help, local government, and a fairly strong sense of

local community. In Hong Kong, we do not always have all these conditions. In particular, many of the disadvantaged may include new arrivals living in disjointed communities. And both our officials and people are accustomed to a centralized, top-down approach.

But social enterprises can work successfully in Hong Kong. We know they can because there are already a number of very good examples, and it is important that we look at these examples and learn from them. I also believe there is a lot more that our own business community can do in partnership with NGOs in helping to nurture the spirit of enterprise among the disadvantaged groups. For example, by sourcing services from such enterprises.

I know that the social welfare sector is taking a very close interest in this subject, and looks forward to playing a serious role in the tripartite efforts to promote social enterprise.

Madam President, I have visited a number of successful social enterprises in the United States, and they all have one thing in common: they all started with a bottom-up approach and there is absolutely no subsidy from the government. I look forward to the summit at the end of the year where we can learn from many of these overseas experiences. We definitely need to think outside of the box. Thank you.

**DR JOSEPH LEE** (in Cantonese): Madam President, I will now speak on the policy on care for the elderly under welfare affairs.

I believe "senility" does not necessarily mean "debility". The Chief Executive stated that he wishes to optimize our demographic structure, but other than "Care for the Elderly", we believe optimizing the living of the elderly and promoting healthy ageing should also be a focus of his administration.

How do we optimize the livelihood of elderly living in residential care homes for the elderly (RCHEs)? Improving the services of these homes and maintaining a high standard of care are essential. It is insufficient to consider only improving their personal hygiene and biological needs. I believe the Government should comprehensively enhance, in the context of this policy address, the care and attention services of these RCHEs to cater for the biological, psychological, social and spiritual needs of the elderly. Moreover,

under the present ordinance, the policy which requires a minimum ratio of one nurse to 60 elderly in each RCHE is outdated. This ordinance gives such RCHEs a legal excuse not to provide sufficient staff to take care of elderly living in them, leading to the slipping standard of care and attention services. The Government should thus review as soon as possible this outdated policy, and certainly, it should also allocate more resources to RCHEs so that the latter can employ more nurses.

I hope that health care vouchers is the Government's first step in realizing the concept of "money follows the elderly", and that in future the Government will apply the concept to aged homes and the elderly, so that the elderly can make use of the vouchers to choose for themselves the aged homes they need. By so doing, it can further realize the concept of "money follows the elderly", help reduce the number of elderly waiting for RCHE places now and upgrade the service quality of these RCHEs. Indeed, this concept of service or the concept of "money follows the elderly" can make use of the free market to monitor and regulate service standard, thus obliging private RCHEs to improve their environment and services and make their fees and operation more transparent, so that the elderly living in these homes can be better protected.

How do we optimize the elderly living in the community? While it is important for the Government to expeditiously help hidden elderly to rejoin society again and develop their social life, maintaining the body and mind of the elderly at a healthy state is also very important. Other than increasing the places of elderly day care centres, I hold that the Government should also extend the scope of outreach work conducted by elderly centres to include community health care outreach teams, so as to provide support services such as community nursing care, mental health and rehabilitation care.

The Government stated that it will launch a number of trial schemes to provide, for instance, carer training and "elderly-sitter" services in three districts, and integrated support services to elderly hospital discharges who have difficulty taking care of themselves and to their carers. In fact, these schemes are nothing new and trials are unnecessary. At present, community geriatric assessment teams and community integrated service teams have already been providing different services to elderly in the community. These teams, comprised of geriatric doctors, geriatric community nurses and different professional therapists, can prevent accidents and minimize morbidity by providing the elderly with comprehensive assessment and recommendations,

teach them how to take care of themselves and provide elderly with chronic illness and their carers with relevant knowledge, so that the elderly can be taken care of.

Moreover, at present, the Hospital Authority arranges for community nurses who have received special training to follow up elderly hospital dischargees. By so doing, hospital health care services are brought to patients' homes. Through home visits, these community nurses give appropriate care and rehabilitation services to the elderly, and instill in them and their carers proper knowledge of disease prevention and treatment. When necessary, the community nurses will proactively report the progress of the elderly to their attending doctors and transfer the elderly to the hospital for treatment. However, the Administration, in proposing new trial schemes, seems to have failed to recognize the importance of these service teams and disregards the contribution made by these teams and community nurses. In fact, instead of injecting so much resource into these trial schemes, the Government can achieve the same purpose by providing more resource to these service teams and community nurses so as to strengthen their role and functions.

In addition to making good use of our existing professional teams and resources to optimize the livelihood of elderly living in the community, I propose that the Government can implement an empowerment scheme for the elderly and retirees. In fact, this proposal seeks to empower the elderly with self-determination to organize and prepare activities, so that after retirement they can take charge of their social activities, eliminate their passive and underprivileged image in their twilight years, develop a collective elderly network and thereby establish a healthy and active elderly community.

Last but not least, I wish to talk about how to help the elderly lead a healthy and quality life. First of all, the Government should implement an elderly policy which focuses on "healthy ageing". In other words, the Government should help the elderly maintain good physical and cognitive power, prevent illnesses and loss of physical functions, establish positive thinking and self image, participate in social and productive activities and meet basic daily needs. If an elderly policy premised on "healthy ageing" can be expeditiously implemented, it will not only relieve the pressure on health care and social welfare systems, but also help improve social economy, foster family harmony and social integration, thereby bringing vitality and cohesion to society as a whole.

Hence, I propose that the Government should appoint as soon as possible a full-time commissioner for elderly affairs so that he can concentrate on co-ordinating and harmonizing affairs concerning care for the elderly of the Government and thereby fully implement the elderly policy of "healthy ageing". Then, the Government should expeditiously conduct a review and formulate an effective retirement protection scheme for discussion by all social strata, so as to arrive at a proposal with a wider consensus, in a bid to cater for the basic needs of living of the elderly during their retirement years and address the problem of elderly not being cared for.

Finally, I propose that the Government should actively promote and develop the "silver hair market". As the elderly population increases, the services they need and their spending power will also increase. This represents a huge market potential and should not be neglected. The Government can encourage private corporations to join in and together look for business opportunities under a public-private partnership and open up new resources for ploughing back to other services on elderly care.

I so submit. Thank you, Madam President.

**MR ABRAHAM SHEK:** Thank you, Madam President.

**MR ABRAHAM SHEK** (in Cantonese): Madam President, having heard Mr Albert CHAN speak just now, I have a deeper understanding of Tin Shui Wai and other new districts. I recognize that the problems in new districts are grave. Reading this policy address again, I found that the Chief Executive had heard the welfare problems mentioned by Mr Albert CHAN. He has also sought to do his best. I thus think that Mr Albert CHAN needs not feel too worried. With more co-operation with the Government, these problems will be resolved.

**MR ABRAHAM SHEK:** Madam President, in the last 10 years, we have seen how Hong Kong's 7 million people, working hand in hand, heart to heart to overcome economic crisis in Hong Kong, made Hong Kong fit to live in, and made Hong Kong a prosperous city just as what the Chief Executive said: "never have it been so good for the last 20 years".

Yes, Hong Kong's stock market is reaching the 30 000 mark, we are the financial city of Asia, window of the world for China enterprises, and unemployment rate, apart from that of the construction industry, is reaching a new low. But the fact is, the present prosperity is not being shared by all, particularly the poor. Poverty gap between the rich and the poor reaches a dangerous width. The number of people receiving CSSA is on the rise every day. Figures of the working poor and the elderly poor blasted before our eyes like threatening fire crackers, not fireworks for the National Day celebration.

The issue of poverty cannot be further ignored, nor can it be solved by slogan. We need appropriate, immediate actions to eradicate poverty, as poverty is making cracks to the very foundation of Hong Kong's stability and prosperity. As I said earlier, in the Chief Executive's policy speech, he is genuinely concerned about the welfare of the underprivileged with his proposed initiatives. He is sincere and earnest in his efforts to help the unfortunate. But more is not enough, we need much much more. Government philosophy in the welfare policy cannot be faulted to help those who are in dire need of help.

I fully subscribe to this policy, but we are living in a rapidly changing environment. One has to step out and reach out with compassion to help those people with care, respect, and much needed assistance. The figures of the underprivileged and the figures of the poor grow faster than those which have been eradicated.

The original intention of the "生果金" was not a welfare payment, rather, it was society's gift in the form of appreciation to the aged. Over the years, "生果金" has transformed into a much-needed welfare subsidy. Unfortunately, it is sad as it reflects the changing scene of our society. The views expressed in this Chamber on this subject of "生果金", and the amendments as proposed by the different parties, to be passed or not to be passed tomorrow, are irrelevant. Your voices have been heard, and hopefully, will be reflected not in this policy speech, but reflected hopefully in the Budget, which is a better platform for initiating changes. Personally, I do believe that what is needed is not a mere increase in the "生果金", it is not enough. The whole policy of "生果金" must be reviewed so as to help those who really need it. Hopefully, we can see this in the next Budget.

The second subject I would like to touch on is that the Government should thoroughly review the issue of CSSA payment for the aged and the handicapped, as their needs are different from those of the others in the safety net. With the

overflowing surplus, I urge the Administration to reinstate with immediate effect the CSSA payment for the aged and the handicapped to the 2003 level, prior to the 11% reduction owing to deflation during those dark years.

With these words, I hope the Financial Secretary could ponder on these two subjects and reach out to help those people. I am sure the three Ts — 不是三重彩, but the two TSANGs and one TANG of our most high ranks — would have a big heart to help these people. With these words, thank you, Madam President.

**MR SIN CHUNG-KAI** (in Cantonese): Madam President, the Democratic Party did not see that the initiatives set out in the policy address aim at implementing the so-called second guiding principle as proposed in it, that is, "with different strata of people sharing the fruits". Neither did we see that the Government is "returning wealth to the people of Hong Kong". What we saw is that it is "returning wealth to the rich people".

John TSANG said the other day that the fiscal surplus for the current year will exceed \$50 billion. Judging from the track record of the Government in underestimating surpluses over the past years, the surplus of this year should be far more than \$50 billion. However, the policy address is playing Scrooge and seemed rather cold-blooded. Given that the government expenditure on Old Age Allowance (the so-called "fruit grant") is just \$4 billion a year, a 10% increase in "fruit grant" will only cost an additional \$400 million. Compared with the surplus of \$60 billion to \$70 billion, this is just a very tiny portion. If we put it in a bit more exaggerated manner, the regular wastage of various government departments is far more than that. Yet, Donald TSANG has been so reluctant to increase the "fruit grant" by a single dime. Is this the concrete action taken by Donald TSANG to manifest a "caring society" and "the care for the elderly"?

Who is this policy address returning wealth to? Take the reduction in salaries tax as an example. If the Government really wishes to return wealth to the people of Hong Kong, it can do so by increasing the salaries tax allowance, as well as broadening the tax base and reducing the marginal rates of salaries tax. This will benefit not only those 3 000 to 4 000 top salaries taxpayers in the territory, but the one million salaries taxpayers too. However, the Government has instead reduced the standard tax rate, which will only benefit people with an annual income of over \$1.4 million. If they are the "people" whom Donald TSANG referred to in his so-called principle of "returning wealth to the people

of Hong Kong", then how about the other Hong Kong people in his mind? To put it simply, Donald TSANG only intends to return wealth to people with an annual income of over \$1.4 million, but are those not receiving tax rebates the "people" in the mind of Donald TSANG?

Secondly, what the Government has said and done is not convincing at all. According to the policy address, the introduction of the levy on plastic shopping bags has gained public support. We certainly agree with this. The Government also pointed out that the proposed levy is designed to "promote waste reduction and recovery", and this objective is again supported by the Democratic Party. And yet, what is the Government going to do with the revenue from such levy? The Democratic Party opined that for the proposed levy to be successful, it was important for the general public to understand the objective of the proposed levy. Also, the Government is duty-bound to convince the public that the proposed levy is not intended to increase revenue, but a solution to our environmental problems. The best way to prove that the introduction of such levy is for environmental protection is by making reference to countries which impose tax on a revenue neutral basis, whereby the revenue received from the levy on plastic shopping bags will be rebated through other taxes. On the other hand, revenue from the proposed levy can only be used for environmental protection. However, the Government has not made such an undertaking and is prepared to account the revenue in question to the Treasury. Can its management of public finance gain the trust of the public?

Thirdly, while the Government has a surplus of nearly \$100 billion and the Employee Retraining Fund has a reserve of some \$3 billion, which is enough to pay for the expenses of the Employees Retraining Board (ERB) for the next decade, why did the Government still refuse to lift the \$400 monthly levy on foreign domestic helpers? The underlying reason for imposing this levy on foreign workers is employers' failure to employ the necessary workers locally. This measure does not only enable the employers to solve their immediate problem by employing foreign workers, but also ensure that abundant local workers will be trained. However, despite the imposition of the levy on foreign domestic helpers, the ERB failed to train local workers in place of foreign workers. Furthermore, with an expansion of the ERB's remit to cover young people and associate degree graduates, the Democratic Party did not see any other reason why the employers of foreign workers are still required to pay the levy. Surely, the Government does have the authority to do so, only that it is not at all justified.



Madam President, the Government should do more for the grassroots, and not on a selective basis. What is even more regrettable is that the Government is only returning wealth to people whom it prefers. In fact, there are very strong public aspirations for a return of wealth to the people of Hong Kong, and the voices are loud and clear, which the Government should be able to respond to them on the strength of its substantial fiscal surplus. It is hoped that the Government will implement the principle of "returning wealth to the people of Hong Kong".

**MISS CHAN YUEN-HAN** (in Cantonese): Madam President, concerning the third part of the policy address entitled "Investing for a Caring Society", yesterday, I said right at the beginning that when the discussion came to this part of the policy address, the reaction of the whole community was the strongest and the voices of criticism were also the loudest.

Today, three new Secretaries are present but they were not yesterday. In view of this, today, I will say to them once again that some people have raised some queries — up to last night, I have organized 12 public forums and in all of them, it is at this part that all the people directed their queries at the Government. In sum, they had three queries.

Secretary Prof Ceajer CHAN, first, they queried the Government why employers who had made profits would still get a reduction in profits tax. Why is the dependant parent allowance to which impoverished members of the public are entitled not increased? In many cases, their parents are already in their fifties and can no longer find work, so they have to support their parents. Why will the policy in this regard remain unchanged? Why is the salaries tax payable by grass-roots members of the public not reduced at the same time? Many young members of the public asked me to ask the Government the last question.

In addition, people at the grassroots also raised another query. In respect of helping elderly people, why is the assistance given to elderly people so minimal, or to use a turn of phrase used by Mr TAM Yiu-chung, so miserly? This is what they asked me. They said that the health care vouchers for a whole year would amount to only \$250 and at present, many elderly people consider this amount not enough even for getting treatment for a tooth. This is because the press reported that this amount was not enough even for extracting a tooth. This is their experience. Then, some people asked why it is necessary for one to be aged 70 or above to be eligible. Why are people aged 65 or above not

eligible? Why are people aged 60 or above not eligible? Just as Mr WONG Kwok-hing put it, people who asked me such questions included people from three tiers. People from all these three age groups all came and asked us such a question. This is the second question. Following the second question, this question will surely follow: Mr TUNG once promised us that the "fruit grant" would be increased to \$1,000 but so far, why has this not materialized? It can be seen that the general reaction was very strong. Even some elderly people in their seventies and eighties walking on sticks came and said this to me. Just now, before I came into this Chamber, I met Secretary Matthew CHEUNG. I invited him to attend these public forums personally to listen to the first, second and third queries.

What was the third query? It was asked by "wage earners". They queried why, in view of the present situation of low wages, the Government still wanted to outsource its work. I have already asked the Civil Service Bureau this question yesterday. These "wage earners" pointed out that low wages had been the making of the Government. Now, this voice is loud and clear. Another query that they raised was why it was still very difficult for them to find work at present. The Government said that it was the best of times in two decades for Hong Kong, however, they said they did not have such an impression. They queried why the working hours are so long now. With such long working hours, how would it be possible to make the family harmonious? These were the questions asked by "wage earners".

In each of the 12 public forums organized by me in the past, there were always people who raised queries concerning these three issues. These queries were all directed at the section entitled "Investing for a Caring Society" in the Chief Executive's policy address and the residents asked me to raise these queries with the Government in this Chamber.

Madam President, I am feeling very concerned, the more so because the analysis made by Secretary Prof Ceajer CHAN, who is now present, of the wealth gap in Hong Kong is a cause for concern to us. We are concerned that given the beliefs underlying the Government's analysis, they will make members of the public raise the foregoing three queries concerning the policy address, as those residents did. They will ask the Government why this is so and why that is so.

I believe that if the fundamental notions are not sorted out clearly, since the Budget will soon be tabled in February, by then, a lot of criticisms accusing

the Government of being heartless and the like will emerge, so I hope that these issues can be dealt with speedily.

Madam President, in fact, since I have witnessed such strong reaction from people at the grassroots personally in the course of my contact with residents, I have gained a deep understanding which led me to believe that people in the SAR Government really have to visit various districts to listen to the opinions. Concerning all the measures to help the poor this time around, since only several Honourable colleagues among us have made suggestions and voiced criticisms, their efforts seem to be very feeble. Even if the Secretary were not present, as long as he follows those measures, they would still be effective.

Let me analyse the reasons for this. In fact, poverty involves two major areas, one being the elderly in poverty and the other being working poverty. Insofar as this policy address is concerned, elderly people long for an increase in their "fruit grant" because it has never been increased, so they hope the authorities would increase it this time. At present, the Government has a surplus of close to \$50 billion, so why does it still refuse to increase the allowance? This demand has all along existed, and it is getting ever stronger. However, was any increase announced in the policy address? Therefore, their reaction was very strong.

In view of this, I believe the Government has to think about this. In fact, to old people in general, if their children are achievers, their livelihood is certainly not difficult. However, most of the people in my constituency (80%) are poor people living in public housing, and there are a lot of elderly people. They all said that they did not know what to rely on for a living.

At present, they all hope that the Government can help them. In fact, their demand is most moderate. The Government only has to be willing to increase their "fruit grant" a little bit to make them very happy. What is most significant is that they have financial difficulties but there is no universal retirement protection in Hong Kong. They cannot even get a share of such protection. If the financial conditions of their children are good, of course, there is no problem, however, at present, the livelihood of all grassroots is basically very difficult. With such low wages and long working hours, what can they do? Even though the Government has proposed that a one-stop service be provided in hospitals to help the grassroots (in fact, I have disseminated this

piece of information in many districts), there was no response from these people, so it can be seen how important financial support is. Even though health care support is very important to them, financial assistance is even more important. If the Government is willing to increase the "fruit grant" and do a better job in this regard, I believe they would be very happy. As it is now, no increase will be made. The Government has to understand the poverty problem among the grassroots. Concerning the elderly in poverty, frankly speaking, it all depends on their source of income. When neither their families nor their children can help them, they can only turn to the Government. Just think about this. Even elderly people nowadays can point out that the living conditions in public housing are very poor and that they also paid taxes in the past, so they ask why no financial assistance is given to them nowadays. They say that they can only subsist on some \$600 or \$700 each month by using a little bit of the amount every day. I hope very much that government officials visit various districts to listen to their voices.

As regards the part relating to the working poor — just now, I pointed out that poverty involved two areas, one being the elderly in poverty and the other being the working poor — when it comes to the working poor, I believe that even the SAR Government has admitted that the wages are low at present. Concerning a minimum wage, this time, few views have been expressed at the district level in this regard. Of course, since the Chief Executive has responded to this in the policy address and proposed a timetable, a roadmap, and so on, I believe everyone now thinks that this point has been dealt with quite satisfactorily, however, they still agree very much with our analysis. The Chief Executive has already voiced our concern clearly, saying that if a mid-term review cannot be conducted this month, the Government will prepare for two scenarios by proceeding with the preparatory legislative work on a minimum wage at the same time. If the voluntary movement is found to have failed next year, it will introduce a bill to the Legislative Council in 2008-2009 as soon as possible.

At present, people in local neighbourhoods assume that legislation on a minimum wage will definitely be enacted this year, instead of carrying out a review by then, that is, unlike what is stated in last year's policy address, it is not just a review that will be carried out in 2008. They assume that a piece of legislation has already been tabled and in fact, the policy address also says so. The question now is whether the departments under the Secretary have done the preparatory work or not. Have they done the preparatory legislative work properly? Whenever there are divergent views on a bill, doing preparatory

work means publishing a white bill and a blue bill, as was the case back in those years. Doing preparatory work means a white bill or tasking a team to carry out the work process. We have done this before and we can be considered veterans. There are also different approaches in scrutinizing a piece of legislation. The more controversial it is, the more necessary it is to take this step. What I am saying is that, the Secretary has to do all the work involved in such a process properly in order to introduce the bill as soon as possible in 2008-2009, that is, it will be necessary to introduce the bill when the new legislature sits. Has the preparatory work been completed?

At present, the proposals in this paragraph of the Chief Executive's policy address are considered acceptable, however, can the officials under him accomplish the work in various areas? I still have a lot of doubts about this. Of course, on this point, Secretary Matthew CHEUNG would tell me to keep calm and that he would follow this up. However, no matter what, we still hold that it is necessary to be more practical. We have frequently asked the Secretary to visit various districts to listen to the views of residents in this regard. The problem of the working poor is commonplace among the grassroots, so they have all along demanded that a minimum wage be introduced. This is a major demand. If it is impossible to put the words of the Chief Executive as stated in paragraph 78 of the policy address into practice, this will become a problem.

That said, when it comes to low wages and long working hours — at present, the working hours are really long — even though the wages may not always be the lowest, in these circumstances, how can we make families harmonious and how can people take care of their children? I wish to point out that nowadays, when we organize residents' forums, we have to set the time increasingly late into the evening. In the past, it was not necessary to set the time that late but now, it is necessary to wait until the residents return from work. As we held the forums, more and more people would join the forums on coming back from work. Even when we were about to end the public forums, some residents would still come on just back from work. I wish to point out that everyone wants to have a harmonious family in which to take care of their children and lead an enjoyable family life, however, excessively long working hours make it impossible for workers to lead such a life.

Another point is the difficulty in finding work. It is actually possible to see this point from the figures released by the Government currently. May I

ask Secretary Prof Ceajer CHAN, Secretary Matthew CHEUNG and Financial Secretary John TSANG if they know how the present situation is like? The number of poor people in Hong Kong is over 1 million and the number of people with a monthly wage of less than \$5,000 among them stands at 420 000 and those earning a wage of about \$5,500 among them stands at 700 000. With the buoyant economy of late and the near insane rises in the stock market, in theory, this group of people should be able to sort out many problems, however, many among them still think that there are a lot of problems and they have very strong views. In the 12 residents' forums held recently, I found that the participants were mostly older people. This shows that civil society is perhaps maturing gradually and it may have matured already.

There is another problem. Since no action has really been taken about poverty in this policy address, it is really necessary to find a solution to the problem of difficulty in finding work. At present, we can only rely on the social enterprises advocated by Financial Secretary John TSANG. I appreciate his proposal and I appreciate the willingness of the SAR Government in promoting social enterprises, as well as its stated intention to revitalize several heritage buildings, so as to promote economic activities in the neighbouring areas.

I agree with all this, however, the problem is that it is not adequate to rely solely on the limited jobs found within society, and this will also lead to problems. Even if we managed to promote social enterprises, if we do not solve a series of problems relating to social enterprises and consider shifting the policy, we cannot hope for success. At present, the Government provides funding amounting several million dollars to each unit under the "Enhancing Self-Reliance Through District Partnership Programme". What the Government would at the most do is to allocate more funds after the resources have been used up, but there is no sustained policy. How can the efforts be sustained? How is the land policy like? This is very important. Frankly speaking, if social enterprises cannot solve the problem of land, after the public funds have been used up, it will not be possible to make any progress.

I think the Government has to realize where the problem lies. It must not think that by virtue of social enterprises alone, it will be possible to save the unemployed and people having difficulty in finding work in Hong Kong. In order to deal with this problem properly, it is necessary to develop a diversified economy and introduce a policy on land planning, so that businesses operating with a small capital can find room for survival. How was development of the urban area carried out in Japan in the post-war decades? In the development

process in Japan, it has not been forgotten that Japan is founded mainly on agriculture, therefore, even though Tokyo is so prosperous, sites would still be reserved in various places on the very expensive land for the grassroots to make a living. From the '70s onwards, there are shops selling Kusa mochi in Hanayashiki and in each area, including the Roppongi, Yoyogi and even in all the areas that I am familiar with, there are such places. From Tokyo to the northern most tip of Hokkaido, not to mention Hokkaido itself, the Japanese Government has carried out a high degree of development in the cities, however, some places are still reserved for people who cannot enter the mainstream economy to engage in diversified economic development.

Why has the Hong Kong Federation of Trade Unions (FTU) attached such great importance to urban planning over the past decade or so and hoped that the planning will enable us to develop various economic activities? Because it can help the grassroots and enhance the competitiveness of the tourism industry. If the SAR Government cannot see this point and only thinks about training, training and retraining all the time, I think this is very laughable. The Secretary advocates "enhancing employability", in fact, anyone can say such a thing. To be honest, to put down such a phrase at the very beginning only makes people like me more likely to get angry. Everyone knows that in order to get employment, one must enhance one's employability. Can training, training and retraining suffice in helping people find jobs? I totally agree that all retraining schemes can be continued and expanded, however, will doing so be enough? This will not be enough.

A few days ago, I made it clear to Secretary Matthew CHEUNG that one-stop service had to be provided, as is the case in Singapore, Shanghai and Beijing. I visited Beijing about seven to eight years ago. At that time, there was the problem of people in their forties and fifties who had been laid off. A programme was established to provide sustained assistance to them. After the scheme was found to be problematic, ideas involving the use of land were mooted.

Just think about this. In the vicinity of the Hou Wang Temple in Shanghai, covering a radius of several kilometres, economic activities suited to people with low education standards were developed. These people sell snacks such as steamed pork dumplings and meat buns. These activities are confined just to an area covering a radius of several kilometres because the area surrounding the Hou Wang Temple is very small. As regards the other side called Xintiandi, room for development is provided to young people there. They do have such measures.

I have talked about Japan and China, next, I want to talk about New York. New York can be considered the place with the most expansive land in the world, however, on the land in the vicinity of the Central Park, some businesses operating on small capital also came into existence, and there is room for their survival there.

If the Government refuses to consider adopting these approaches to solve our employment problem and merely talks about training, I would still welcome this. I am not opposed to the proposals in this paragraph. However, if one merely talks about "enhancing employability" and pin all hopes on training, thinking that it is a cure-all, I think that is a joke, detached from the actual situation in Hong Kong. What I am saying now may not be in line with the actual situation in Hong Kong either.

Therefore, if the Government really wants to solve various problems such as the difficulty in finding work and wealth gap, it is really necessary to modify all the policies. I hope that various problems can be solved in the administration to be carried out in the near future, instead of being like the picture painted in this section. Does it warrant criticisms? There are areas that warrant criticisms, however, some work has also been done. The question is that some of the work done really cannot get to the core of the problem. They really cannot get there.

For this reason, I hope very much that in the administration to be carried out in the near future, the pledge to care for society and invest in society can really be fulfilled. I believe that some issues, such as a minimum wage and social enterprises, have been resolved. Although some issues have been resolved, if we just stay this way and do not have any a holistic game plan, thinking that it will be fine as long as the economy is good, Secretary Prof Ceajer CHAN, this will not do.

**MR TOMMY CHEUNG** (in Cantonese): Madam President, first, I wish to respond to the policy direction concerning a minimum wage, as spelt out in the policy address. As a Member of the Legislative Council representing the catering sector, I must reiterate that I strongly oppose the authorities' move to enact legislation to prescribe a minimum wage.

Come to think about this carefully. George J. STIGLER, the famous American economist and Nobel Prize winner, Edmund PHELPS, the winner of



the 2006 Nobel Prize in Economics, Professor Francis LUI, Director of the Centre for Economic Development of the Hong Kong University of Science and Technology, Mr LAM Hang-zi, the founder of the Hong Kong Economic Journal and Mr Jimmy LAI, the boss of the *Apple Daily*, as well as many people hailing from various backgrounds have all voiced their opposition to prescribing a minimum wage through various channels on various occasions. In view of this, should we not think twice about this matter?

May I ask the authorities, if the mid-term review of the Wage Protection Movement finds that the results are unsatisfactory, whether they will look further into the reasons for this? The Liberal Party and I have said and pointed out a number of times that the main reason that the pay rises for jobs in the cleansing and security trades lag behind other trades or the reason for the below-average monthly wage offered by such jobs is that the requirements in academic qualification for this kind of jobs are not high. As a result, a large number of workers with less skill in the working population can join these two service trades. With the demand for such jobs outstripping supply and the keen competition for such jobs, naturally, it is difficult for wages to go up. This is a structural problem. Therefore, what the authorities should do is not to prescribe a minimum wage, but to deal with the structural problems in the Hong Kong economy.

Moreover, the Government has equated a minimum wage with the average wage offered in respect of vacancies in the relevant trades. This notion is very much flawed. Such a practice has not taken into account the fact that to derive the average wage by finding the median of the minimum and maximum wages will in fact gradually push up the level of the minimum wage.

Moreover, although at present, apparently, only the jobs in two trades, namely, the cleansing and security guard trades, are involved for now, once a breach is made, other types of jobs will surely follow this example. In fact, many Honourable colleagues in this Council have already asked why this kind of protection is not provided universally and why it does not cover all kinds of jobs. Why is protection given only to these two trades? As a result, a floodgate would be opened and it would surely cause irreparable damage to the established free economy in Hong Kong.

To take the catering industry as an example, if a minimum wage is implemented, since cleansing workers are needed in every work process and

section, the wage levels of cleansing women, bar tenders, food sorters and cooks will all in turn be pushed up. Next, workmen's compensation insurance, the MPF, and so on, which are calculated on the basis of wages, will also increase accordingly, so one can say that one expense will lead to other expenses. In recent years, the catering industry has had a hard time coping with constantly rising rents, wages and food prices. If a minimum wage is implemented, the industry will find operation even more difficult.

The last thing that I wish to see is that members of the industry, in order to cut expenses, are forced to reduce the number of full-time workers and employ casual cleansing workers or pay higher wages to hire employees to perform multiple duties, including cleansing. In that event, housewives with a low level of skill and academic qualifications and jobless elderly people will lose their ability to compete in the market. They will become socially disadvantaged groups that have to depend on society for relief. Do Members wish to see such a situation of doing people a disservice out of good intentions?

If we adopt hard-line tactics such as administrative or legislative measures to prescribe a minimum wage and standard working hours, this will not solve the fundamental problems but will only destroy the self-adjusting market mechanism and wipe out the room in which restaurants operating with small capital can survive, as well as depriving those workers with a low level of skill and academic qualifications who need their jobs and those who are advanced in years of their job opportunities. Should the Hong Kong economy experience a downturn, this will lead to the closure of a large number of restaurants and more people at the lower stratum will have to depend on CSSA.

Therefore, the Liberal Party and I both hope that the authorities will defend the free economy on which Hong Kong depends for its success and keep their pledge by giving an adequate period of two years for the Wage Protection Movement to function, then evaluate its effectiveness fairly and impartially, instead of talking lightly about taking legislative measures to interfere with the market wage.

Madam President, another issue related to the business environment is a fair competition law. As the Chief Executive pointed out in paragraph 32 of the policy address, there are concerns in the business sector that such a law may adversely affect enterprises, particularly when overseas experience shows that small and medium enterprises may become involved in interminable litigations

for no good reason as a result. The Liberal Party has to remind the authorities that they must have a clear idea of the merits and demerits of a fair competition law. Before introducing the bill, they must publish the details of the proposed legislation for public discussion and examination.

Madam President, I so submit.

**MS MARGARET NG** (in Cantonese): President, in this debate session, a number of Members have mentioned the tragedies that happened in Tin Shui Wai. In fact, anyone with a heart would not be indifferent to the spate of tragedies that happened in Tin Shui Wai. I wonder if Secretary Matthew CHEUNG will be able to give a persuasive response to the issues raised by Members in today's session. Because these matters did not happen only today.

In 2004, a tragedy in which all members of a family died happened in Tin Heng Estate and it sent shockwaves throughout society. Subsequently, the Government published a very detailed consultancy report in which it was pointed out clearly that all the contributing factors leading to such tragedies in Tin Shui Wai came into existence not just in 2004 but well before that. Just like Mr Albert CHAN, many people were very angry about this and we fully understand this. However, even though a review was conducted after the tragedy in 2004.....President, at that time, I also spoke and although social welfare is not a policy area that I was concerned with, I said that in fact all of us wanted to deal with the problem of domestic violence properly. So could we not take this opportunity to review our policies or measures to see if there was any area that had not been dealt with properly and as a result, incidents of domestic violence kept recurring in Tin Shui Wai, even though all of us hoped that they would not recur?

After the authorities had expended much effort, it published a consultancy report, however, in the end, what did we get? This Council established a dedicated committee and it functioned for more than a year, but what it could do was very limited actually. In this policy address, we can see that part D talks about "Investing for a Caring Society" and what is said in paragraphs 66 and 67 is very pleasing. It is said that the progress of a society is measured not just in terms of *per capita* income but also in interpersonal relationships, including how people care for the disadvantaged, and that these are social benefits that should

be brought about by economic development and that the Government fully appreciates the concerns of society and will try its best to alleviate the problems of the people concerned. After that, what is said next? An abrupt turn is then taken and it is said that inter-generational poverty has to be addressed but there is no further mention of those burning and long-standing problems.

In fact, even after the completion of the study report on the tragedy in Tin Shui Wai, I still find it very difficult to understand one point, that is, the Government has all along considered this to be a welfare issue, therefore, it put this matter completely under the charge of the Labour and Welfare Bureau. The discussion of the community focused on the shortage of social workers and their excessive workload, however, how many social workers are needed before they will be considered sufficient? How much can social workers accomplish?

A few days ago, Ms Eva CHAN Sik-chee published an article in *Mingpao Daily*. Ms Eva CHAN Sik-chee is the author of *The Twelve Dames of Tin Shui Wai*. She says that she also wants to voice some different opinions. She says that it is not entirely a question of social workers. The shortage of social workers is indeed a problem, however, the major problem does not lie in the number of social workers but in the community network and care and concern in the community. I will quote the relevant passage of the article, to this effect, "To use the way of speaking nowadays, that is, 'social capital', the dense and intricate network among people in a neighbourhood that creates trust and care. It is a self-help structure that develops naturally and this is what Tin Shui Wai badly needs at the moment."

Let us look at why these problems have arisen in Tin Shui Wai. What are the causes? If we do not administer the cure according to the illness and only adopt a piecemeal approach, and if we increase the number of social workers or provide additional social services and social welfare when more people speak, this is really inadequate. What is the problem with Tin Shui Wai? First, the entire layout is wrong and even the Government has admitted this. Tin Shui Wai is such a remote town and there is no way out in terms of employment for people in the area. When the economy is in recession, they are paid low wages because they have no other way out. Low wages and unemployment have deprived many families of their financial support, as a result, mothers have to play the role of fathers by going out to work. This exerts tremendous pressure on families. This is the first point, that is, the entire layout is wrong. At that time, the Government's original plan was to make Tin Shui Wai a self-contained new town in which people can find work without having to go outside.

Second, the policy of "85 000 flats" is wrong. Why? We have read an interview in the *Apple Daily* on social workers and members of the District Council concerned who have worked in Tin Shui Wai for a long time. Mr CHEUNG Yin-tung of the Yuen Long District Council said that under the policy of "85 000 flats", there was a frantic drive to build public housing units and after building them, people were compelled to move into them one way or another. As a result, all the people who wanted to move into public housing were all made to live in Tin Shui Wai. In fact, the transport infrastructure in Tin Shui Wai is by no means inconvenient. If one has money or owns a car, or as long as one can afford the bus fare costing more than \$20 per trip, it only takes more than half an hour to go to Tin Shui Wai. However, people living here cannot afford such high transport fares. Therefore, the "85 000 flats" policy is wrong.

Third, the urban planning is wrong. There was excessive planning in Tin Shui Wai. Apart from housing estates, there are only shopping centres. People living in the housing estates can only shop in the shopping centres and there are no alternatives such as markets. If they shop in shopping centres, they have to put up with the high prices. If they want to go to markets so as to have more choices, the nearest one is located in Yuen Long and the transport fares are not cheap either. Given such planning, is it possible to allow the existence of some hawkers? Can some people be allowed to do some small businesses on their own? This is not possible because the rents are exorbitant.

Not only is there monopolization by shopping centres, community facilities are also sorely lacking. When Alan LEONG was running for the office of the Chief Executive, I visited Tin Shui Wai. Indeed, we went to some small playgrounds and they were very pretty, new and colourful, however, only such small resting areas are provided to so many housing estates and there are only a few slides and see-saws in them. They are totally inadequate and were built only for show. No consideration was given to the people at all.

The Government often talks about being people-based. In fact, from the perspective of the people and the families, those facilities are inadequate. Coupled with the allocation of insufficient public resources, many social workers who have worked in Tin Shui Wai for a long time can tell you what the shortfalls in social workers, hospitals and playgrounds are. I am not Mr Albert CHAN. If you ask him, he can draw up a list for you and Dr Fernando CHEUNG also draws up such lists often. It can be seen that the allocation of public resources is insufficient and the urban planning is wrong.

However, why is the urban planning like this? Some people say that we had better call the whole Tin Shui Wai the LI family's city. They said that the Cheung Kong (Holdings) Limited is in control of the south whereas the Link REIT is in control of the north, or *vice versa*. That was in fact a place monopolized by big businesses and consortia. Why? Because our land policy is wrong. With the Government selling land in such a way and carrying out planning in such a way, coupled with the policy of high land prices, they will surely seek to make the most money from carrying out development and making money is paramount.

Finally, monopolization resulting from unfair competition is also wrong. In Tin Shui Wai, it is totally impossible to compete with the shops and shopping centres in the area and the situation is one of complete monopolization. Today, we heard Mr Ronny TONG say earlier on that the tabling of a fair competition law had been deferred again. In fact, the whole concept of fair competition has been deferred due to the interests of big conglomerates. These are the causes for the occurrence of the tragedies in Tin Shui Wai. If we think only about welfare, since many factors have trapped this group of people.....the press used the description "the Tin Shui walled city" to describe Tin Shui Wai precisely because such a layout has put these people in a dilemma from which they cannot get away. After the occurrence of the tragedies, the problems cannot be dealt with simply by considering them from a welfare point of view.

However, President, not only have government policies failed to ease this problem, quite the contrary, they have aggravated it. Just now, I have already talked about the insufficient allocation of resources, apart from this, the Government also refuses to take remedial measures. For example, we have lobbied the Government for a very long time concerning the Domestic Violence Ordinance and other complementary measures. After a great deal of effort was expended, the Government finally proposed a bill, however, very little action is proposed in it and despite the very little action proposed, the Government is still working very slowly.

When it comes to transport subsidy, as I said just now, a transport network is in place, but the transport fares are very high. This being so, the Government should either make improvements to transportation or it should provide a transport subsidy. Dr Fernando CHEUNG has been talking about this since time immemorial and even now, he is still feeling very angry.

As regards the employment opportunities inside and outside the area, the Government has no intention of making any improvement. How many of the 10 major infrastructure projects will help residents in Tin Shui Wai?

As regards a minimum wage, if Members have read *The Twelve Dames of Tin Shui Wai*, they will know that no matter how hard life is and even though those women have to work for 10-odd hours each day, they will still do it. Why do they have to work for 15 or 16 hours? Secretary Matthew CHEUNG, you know that such situations exist. This is because the wages are low, so they must work for such long hours in order to feed their children. However, what is the Government doing with regard to enacting legislation on a minimum wage? As many Members have said today, the Government has refused to take action.

Providing support and services to people with disabilities is also something that the Government is most unwilling to do. If one has been to Tin Shui Wai, one will find that the services for people with special needs are sorely lacking. Since social services are inadequate, family members have no choice but to provide the care themselves, as a result, these parents often have to be confined to their homes together with these people with special needs. These parents are very willing to take care of their own children. When I saw how loving they were, this really inspired in me tremendous respect for them and I could hardly hold back my tears. However, why do they have to do this? Why do we make these parents so isolated? When they are isolated to the extreme, when they are desperate to the extreme, they will just jump off from buildings. The Government's refusal to implement improvement policies and measures only makes the situation even worse.

As regards discrimination against new immigrants, many people say that there are many new migrants in the Tin Shui walled city. In fact, in the article written by Ms Eva CHAN Sik-chee, which was published in the *Mingpao Daily* a few days ago and cited by me earlier on, this issue was also raised. She said that regarding women who were new migrants to Hong Kong, other people would say that it was difficult to communicate with them because they had different backgrounds, whereas to these women, and I quote, to this effect, "Since they had left their hometowns and lost the support of their family members and friends, and since they found that they were discriminated against in Hong Kong, they alienated themselves even further. Many woman newcomers to Hong Kong told me that they do not have a single friend in Hong Kong and they would only make a call to their hometown when they wanted to talk to someone."

President, concerning discrimination against new immigrants, recently, this Council is still scrutinizing the Race Discrimination Bill. A number of Members have also said that in fact, society discriminates against new immigrants and the Government has also admitted this. Places like Tin Shui Wai only make them feel more isolated. We proposed that provisions against discrimination of new immigrants be added to the Bill, however, the Government also refused to do so. Not only that, in fact, many government polices also discriminate against new immigrants. As a result, people badly in need of help cannot get any assistance because the policies prohibit the provision of assistance to them. If this Bill is passed, the discriminatory policy of the Government will be formally legalized and in future, the Government can openly discriminate against these new immigrants on ethnic grounds, thus aggravating the situation.

President, in fact, if one goes to Tin Shui Wai and talks with the residents there, one will find that there are a lot of talents and land there, however, it is impossible to bring them into full play. The most deep-seated problem is that in governance, our Government has replaced local communities with big government. These days, the Government wants to poke its nose into everything and anything not authorized or approved by the Government will get nowhere because the Government controls most of the resources. Therefore, with a big government, government organizations have replaced the natural support network founded on the ethical relationships in local communities.

Now, the Government has begun to realize this and say that mutual aid committees have to do more. In the last session, we heard the Secretary for Home Affairs say that their number would be increased from some 40 to more than 80. This is certainly a positive development but this is still far from adequate because ultimately, mutual aid committees are groups supported by the Government and they are not a natural support network. The only thing that the Government has to do is to sincerely rectify its errors. Apart from this, no other description can be used. If the Government still says that it will allocate an additional funding of several hundred dollars to each mutual aid committee, how possibly can the problems be improved? Apart from allowing the Government to say in this Council that it has done something, such a move is totally useless.

President, why is it that when I look at Tin Shui Wai.....in fact, this is not just a matter for people who hold public offices. Where does the motivation ultimately come from? We all hope that there can be changes in society.



When we find that there is injustice in society, it is impossible for us not to try to change it. In the course of trying to understand Tin Shui Wai, we will notice that it is in fact Hong Kong that is truly a city of sadness and Tin Shui Wai is in fact just a microcosm of Hong Kong as a whole. Therefore, the way out for Tin Shui Wai is.....why do I say that Hong Kong is a city of sadness and Tin Shui Wai is only a microcosm? Because all the mistakes that I pointed out in my analysis, for example, the mistake in policy, the mistake in planning, the Government's mistake of evading responsibility, the failure to give full play to talents, the refusal of the Government to adopt available solutions, the Government's laxity in allowing the situation to degenerate despite the efforts made by a lot of people and its belief that it can pay no heed because it could not hear the voices of social disadvantaged groups, are all precisely the woes of Hong Kong, so Hong Kong is the same as Tin Shui Wai. Therefore, the way out for Tin Shui Wai lies in mobilizing people power to demand that the Government treat the residents fairly. The Government should not just think about social welfare but must rectify its basic policies before there can be a way out. Hence, looking at Hong Kong as a whole, it is necessary for the Government to attach importance to the power of Hong Kong people as a civil society.

Concerning the problems in Tin Shui Wai, apart from increasing the number of social workers, I think the Government has to do one more thing, that is, to commend people who have striven to improve their lives, so that they can make even greater efforts to help themselves. For example, there is this story about cross stitches. A Ms Ting received funding to run a shop to teach people how to make cross stitches. Not only can she supplement her income by doing so, she also finds it to be a meaningful and satisfying job. Therefore, the Government should no longer adopt an evasive attitude but should commit itself actively. If a good job can be done in Tin Shui Wai, I believe a good job can also be done in Hong Kong. Thank you, President.

**MR LAU KONG-WAH** (in Cantonese): President, I wish to follow up Ms Margaret NG's topic and talk about the problems in Tin Shui Wai. I wish to talk about some of my observations and views.

I think Tin Shui Wai is not alone in its sadness. The same incidents are probably occurring in a lot of housing estates and districts throughout Hong Kong right now, and they are happening repeatedly. Such incidents really make

all people in Hong Kong ponder why such a situation has arisen in such an affluent society.

Of course, Ms Margaret NG has rightly pointed out many issues, including whether resources should be increased, whether the number of social workers should be increased, whether additional public facilities should be provided, and so on. I think all these questions are justified. In the past, we have made enhancement in these areas, however, the problems still arise. Therefore, we think that this is not just a matter of facilities or money. It is possible that at present, there is a lack of care for other people in Hong Kong. This kind of mutual care and concern has in fact disappeared in the past decade or so.

I remember that when I was young — I am old now — that is, when I began to work in the community, I worked in Sha Tin. Before I ran in the election for district board members, I worked for a mutual aid committee. At that time, the District Officer was Donald TSANG and he was responsible for promoting a so-called community building project and encouraging the floor representatives of each building to promote mutual care and concern. Such a spirit emerged in the '80s, however, from the '90s onwards to the present, it seems that as the trend of the whole society changes.....the overall social trend has probably changed from mutual care and concern to mutual persecution, and such a trend has really eroded community building.

In view of this, I fully agree that apart from showing greater care and concern, it is also necessary for society as a whole to examine how this trend can be rekindled at the community level, in each building and on each floor. I totally support the government proposal to provide more resources to local communities and mutual aid committees, however, the provision of additional resources alone will not suffice. Ms Margaret NG pointed out very rightly that despite the provision of additional resources, many people in local communities still feel very helpless and isolated, so it will not suffice just to give them money.

However, on another front, some voluntary agencies or social workers are doing their work under another system. In view of this, I believe that if we really want to succeed in community building, it is necessary for these two systems to have the opportunity to join hands to provide adequate support and training. As the Chinese saying goes, "A faraway relative cannot compare with a close neighbour". In fact, no matter how many social workers there are, in

helping accomplish such a goal, they cannot compare with neighbours who really care. However, how can such a community network be established and how can it be rebuilt? I hope very much that the Secretary can dwell deeper into this issue instead of simply providing more resources because we have already allocated additional resources in the past. We can continue to do so, but this really appears to be inadequate.

The Chairman of the DAB has talked comprehensively about the proposals on social welfare in the policy address. I wish to talk about some of my observations. After the delivery of the policy address, we heard a lot of views in our visits to local communities. President, if you look at the saga of steel fixers, it can be concluded that as the economy develops and everyone is talking about how good the times are, it turns out that there is actually a group of people who cannot be benefited.

Indeed, I am of the view that this policy address has not shown enough concern for two groups of people. The first group is elderly people and the second group is people with disabilities. It is not the case that we have talked about these two groups of people only now or in this year, rather, we have been voicing the demands relating to them in the decade after the reunification. But it turns out that even with the highly favourable economic situation this year, the Chief Executive has still failed to pay any heed to these two areas. As a result, when we visited various local communities, the reaction of the public was quite strong.

In respect of elderly people, just now, Mr TAM Yiu-chung has put forward our package of proposals. I have had some personal experience in this regard. One day, I came across an old man in his seventies in a local community and he was still fit as a fiddle. He told me that he lives in Shenzhen now. In Shenzhen, he has a grandchild and he is happy, however, the Government required him to maintain a record of staying in Hong Kong for more than 100 days. This made things very difficult for him. At the time when he told me about this, he had been found to have remained in Hong Kong for less than 100 days, so he had to pay back several thousand dollars. He told me that in these circumstances, he found it quite tiring because every day, he has to calculate for how many days he has stayed in Hong Kong and how many in Shenzhen. In view of this, he suggested at that time that the Government should remove the restriction on the period of absence from Hong Kong. This has all along been a proposal by the DAB. The Government told us that the purpose of this requirement is to prove that the person concerned still lives. It

is justified to do so. Mr TAM said just now that the records of the Immigration Department could already serve such a purpose. Therefore, I very much hope that some public resources.....to take the elderly person whom I met as an example, he has a public housing unit which he said he would return to the Government if it was willing to remove the restriction on the period of absence from Hong Kong. In view of this, sometimes, the Government has more to gain than to lose in taking certain actions. I believe the Secretary should be able to give us a positive response on removing the restriction on the period of absence from Hong Kong.

The second area relates to the transport subsidy for people with disabilities. For many years, this Council has held a motion debate each year in which all political parties and groupings would support the provision of a transport subsidy. Unfortunately, there has been some foot-dragging over this issue. It was only recently that we established a Subcommittee and a number of meetings have already been held. I myself also play a part in it. What we discussed initially was whether this matter was a welfare policy or a transport policy. In fact, the former Chief Secretary for Administration stated very clearly that this is a welfare policy. In fact, this helped solve a lot of problems because the Government has to assume responsibility for such a subsidy. However, the Government then put forward a proposal, saying that it was necessary to draw a line so that transport operators.....if more people with disabilities took various modes of transport due to the availability of a transport subsidy and the income of transport operators increased as a result, they had to return the subsidy to the Government. This sounds very much like social enterprises, with all the talk about social conscience or corporate conscience, as it is hoped that the transport operators can return some of the money. In principle, I do not object to this, however, there are actually problems when it comes to implementation. Many representatives of transport operators attended our last meeting and they stated the reasons. For example, some of them said that if it was necessary to install supporting facilities, it would be necessary to spend a six-digit to seven-digit sum of money. This sum of money could not be covered by the so-called increase in income. The representatives of some bus companies even said that they were losing money and any increase in income should be used to cover the losses. Therefore, this proposal was not feasible.

In view of this, on that occasion, the KMB put forward a so-called reimbursement proposal. In fact, the reimbursement proposal is nothing new. At present, it is only necessary for a 12-year-old child to buy a Child Octopus

Card for the proposal to be implemented. In future, for the Government to implement the reimbursement arrangement, it will only be necessary for people with disabilities to buy an Octopus Card designed for them, will it not? This is the simplest and most direct method. Do not give people with disabilities the impression that the Government is dragging its feet time and again, playing tricks on them. I think this is the most undesirable thing of all.

Of course, we heard the Chief Executive say in the Question and Answer Session that there would be a response in one or two months' time. I hope that the Secretary can also give a positive and direct response today. In fact, two questions have already been answered. The first question is who should bear the cost. The answer is that the Government should and this is very clear. The second question is which proposal is the best one. In the last meeting, everyone could see clearly that the reimbursement proposal was the best one. Public transport operators all supported this proposal. Having identified the party who should bear the cost and the proposal for implementation, I cannot see why there should be any further delay. Therefore, if the Secretary can give a response on this and if this measure can be implemented immediately, one of the shortcomings of this policy address can be remedied.

Thank you, President.

**MR FREDERICK FUNG** (in Cantonese): President, today, we are discussing the first policy address delivered by the Chief Executive after he was elected to a second term of office. I believe this policy address has seriously overlooked the needs of the lower strata of society, which is very disappointing indeed.

Several years ago, as the SARS outbreak was raging and the Hong Kong economy hit the bottom, the Government slashed the welfare for the grassroots in spite of the objections and the pace of many community projects was slowed down. The intention was to ask the grassroots to tighten their belts and tide over the hard times together. Now that the economy has improved, not only have the grassroots been unable to share the fruits of economic well-being, quite the contrary, the resultant inflation has made the lives of the grassroots even more difficult.

President, I believe that it is only necessary for people to visit and take a look at local communities or have a walk in the markets to feel the inflationary

pressure. According to the latest statistics, the Consumer Price Index (A) has already risen 10%, in particular, food prices have risen 10% on average, eggs are 32% more expensive and pork is also 30% more expensive. The price of beef rose again two days ago and the price of a can of luncheon meat has even risen 60%! Many people in local neighbourhoods, particularly elderly people living alone, families with single parents who are new immigrants and people with low-income, can only cut back on food and clothing.

In fact, I very much want to ask the Chief Executive whether, apart from handing out candies and tax reductions, the policy address has responded to the plight of the grassroots. Later on, the Secretary can perhaps reply on his behalf. Has he enabled this group of people who are working for society quietly to share the fruits of economic success?

According to the figures of the Hong Kong Council of Social Service, the number of poor people in Hong Kong has already surged past the 1.3 million mark and it accounts for almost one fifth of the total population in Hong Kong. Although the Government has deliberately made adjustments to the Gini Coefficient by taking into account tax reductions and welfare, so that it has dropped from 0.533 to 0.475, it still exceeds the international alert level of 0.4. The welfare system in Hong Kong is not well-developed and CSSA is the only safety net. However, the last review was conducted a decade ago and the basic daily needs covered by it can no longer meet present-day needs. Many marginalized social groups, such as new immigrants, rehabilitated persons, needy people but who are afraid of being labelled and elderly people living with their family members, are not protected by the CSSA safety net. It is also difficult for new immigrants and single people to apply for public housing. This reveals the loopholes in government policy that make it impossible to provide protection to all people in need.

The policy address proposes that the people's livelihood be improved through education and retraining. In the past, the Government has already committed considerable resources to education and retraining, so why has the poverty problem conversely deteriorated? Why has the wealth gap become even greater? This shows that the problem of poverty in Hong Kong cannot be solved effectively through education and retraining alone.

In order to solve the problem of poverty effectively, I believe one very important factor is that the Government has to summon up the courage, sincerity

and determination to face the poverty problem. First, it has to gain an in-depth understanding of the causes of poverty and identify its roots, then it has to administer the right cure by taking concrete actions.

It seems that Chief Executive Donald TSANG is only treating "helping the poor" as a slogan that he can forget after chanting it. In the policy address this time around, there is a lack of direction or strategy for helping the poor, not to mention any specific target or timetable for poverty elimination. The measures to help the poor mentioned in the policy address are only rehashes and there is nothing new. The Chief Executive even carries on with the policy objectives advocated by him all along, thus creating poverty unwittingly. He is adhering steadfastly to the principle that he calls "big market, small government", and he wants to contain public expenditure at less than 20% of Gross Domestic Product. It can be foreseen that as the Government speeds up its investment in infrastructure in future, it will have no alternative but to contain its expenditure on health care, welfare and education, and as a result, the quality of life of all Hong Kong people will decline and the poor will only get poorer.

Helping the poor is not simply a matter of welfare policy. Policies having a bearing on people's livelihood, including those on housing, education, health care, culture and recreation, community facilities, hawker management and even the immigration policy, are all part of the policy to help the poor. In spite of this, the Government has assigned the task of poverty alleviation to the Labour and Welfare Bureau, so this reflects the narrow thinking of the Government on poverty alleviation. It believes that by relying on welfare, the CSSA and the labour policy, the problem of poverty among Hong Kong people can be solved.

In the policy address delivered two years ago, it was announced that a Commission on Poverty would be established. It was the former Chief Executive, Mr TUNG, who established it. Now, the Chief Executive, Mr TSANG, has dispensed with it with one kick. President, I have to make a declaration of interest here as I was a member of the former Commission on Poverty. Although the former Commission on Poverty did not make any major decision concerning any major policy or major direction and basically, it only patched up the existing policies, I think this is still a beginning. I consider it a fundamental necessity to deal with the poverty problem with a dedicated framework. Therefore, I strongly demand that the Government re-establish the

Commission on Poverty, to be chaired by the Chief Secretary for Administration, who will lead the Policy Bureaux under his charge as well as members from various strata in society in formulating a strategy on poverty alleviation and setting specific targets for poverty elimination. The Government should also review the principles of the relevant policy as well as various other policies implemented by it to ensure that it will not aggravate and even create poverty.

Earlier on, the Subcommittee to Study the Subject of Combating Poverty under the Legislative Council submitted three reports, including those on working poverty, women in poverty and elderly in poverty. These reports have summed up the views of various political parties in this Council. I hope the Government can study them earnestly and implement the recommendations of these reports as soon as possible.

In view of the seriousness of the problem of elderly in poverty and the greater difficulty of elderly people in enduring the effects of inflation, the Hong Kong Association for Democracy and People's Livelihood (ADPL) and I both hope that the Government can increase the amount of Old Age Allowance, relax the application restrictions and increase the subsidy on health care vouchers for the elderly, so as to ease the pressure of inflation on the elderly.

President, in this connection, I wish to talk about social enterprises. The Chief Executive, Mr Donald TSANG, promised to promote the development of social enterprises in order to improve people's livelihood, however, what is a social enterprise? Why social enterprises? What role does the Government expect social enterprises to play in helping the poor? Have the goals of these social enterprises been spelt out clearly? The policy address has not talked about these matters. It only says that social enterprises should be set up and that they can help the poor. However, once the incident in Tin Shui Wai occurred, the Government said immediately that it would introduce social enterprises into Tin Shui Wai, as though social enterprises are a panacea and whenever there is any problem, it is only necessary to set up social enterprises. I am also involved in setting up social enterprises. I can tell the Government that if it wants to set up social enterprises, it cannot accomplish this merely by mere talk. Moreover, as doing so takes time, they cannot meet the pressing needs at present. Social enterprises are really not a panacea and there are countless instances of failed social enterprises in the world. I do not know if the Government has seen them, studied them and tried to understand what happened.



Therefore, I think that in floating this jargon called social enterprises, the Chief Executive actually wants to divert attention from the Government's responsibility in other areas.

Last month, Members of the Subcommittee to Study the Subject of Combating Poverty of the Legislative Council formed a team to visit the United Kingdom and Spain. We also looked at how people there set up social enterprises. However, the approach adopted by them and the thoughts they put into such enterprises made us appreciate their drive and determination. These two countries accorded legal status to social enterprises and dedicated departments were established in these countries to promote social enterprises, instead of making them an additional duty of the Home Affairs Bureau.

The policy address this year says that \$5 billion will be foregone as a result of tax reduction. In comparison, only \$30 million is earmarked each year in the form of seed money for the Enhancing Self-reliance through District Partnership Programme for the purpose of promoting social enterprises. I agree that social enterprises need the participation of the business sector, however, the goal of doing business is to maximize profit. If we merely appeal to the business sector to offer assistance, it will be difficult to promote collaboration among the Government, the business sector and the community. Before promoting social enterprises, the Government should determine the role, strategy and overall complementary measures for them.

President, on another front, I wish to talk about the issue of labour. Concerning the part relating to labour, all of us are in fact already aware of the negotiated view. The comments of the Chief Executive in the policy address concerning a minimum wage is that he will implement the Wage Protection Movement and when the result is unsatisfactory, legislative work will be carried out. Obviously, these words have been repeated many times and this talk of a mid-term review and proceeding with the preparatory legislative work at the same time is in fact a repetition of his past words. There is also nothing new in the comments of the authorities in the meetings of the Panel on Manpower, nor was there any result or any new review. I think this is only a repeat of the delaying tactic and action on the issue of a minimum wage is deferred time and again. This gives me the impression that there is a total lack of sincerity.

I think I have not gone too far in saying so because so far, the public have pursued this matter many times and Members have also pursued this matter doggedly. What they have all asked is what "unsatisfactory" means in the remark concerning the result of the Wage Protection Movement being unsatisfactory. What are the criteria? Can the Government set out the calculation method, so that after quantification, people can have an idea of what will be considered a pass and a failure? This remark about the result being "unsatisfactory" is baffling. I hope the Government can spelt out the criteria honestly so that we can discuss them and the relevant review can be carried out in a fair and open manner. What is more, an independent academic institution can even be commissioned to carry out the relevant review.

In addition, if Members have noticed, in the policy address this year, the Chief Executive made a lot of appeals to the business sector, for example, he asked enterprises to fulfil their social responsibilities and to share the fruits of success with employees. Concerning a minimum wage, the Chief Executive says in his policy address: "I call on our enterprises to share the fruits of their success with their staff to maintain their service level and retain quality staff. Otherwise, the Government will resort to legislation.". The question is: To some local companies that are completely profit-oriented, will an appeal be sufficient to change them and make them give up their profits? I think that to companies that are totally profit-oriented, doing so is barking up the wrong tree and no matter how many times an appeal is made, it will only be of no avail.

President, the unemployment situation in Hong Kong has seen some improvement, with the unemployment rate from July to September standing at 4.1% and the working population has reached 3.5 million people. However, after doctors, teachers and social workers had taken to the streets to make petitions and stage protests to campaign for fair pay, steel fixers also went on a continuous strike to demand a wage adjustment and a reduction in working hours. This phenomenon precisely reflects the fact that the fruits of continuous economic growth have failed to benefit the employees in various trades and sectors and quite the opposite, the relationship between employees and employers has become even more strained. Worse still, the Employers' Federation of Hong Kong has recently added fuel to the fire by recommending meanly that a pay rise of just 2.5% would suffice. Such a rate cannot even catch up with inflation. President, if companies behave like this in times of economic boom, how possibly can the interests of employees have any protection in times of economic gloom? Can the problem really be solved by the Chief

Executive making an appeal in the policy address to everyone to protect the rights and interests of workers?

I still remember that when the economy was in the doldrums, both the Government and employers appealed to employees to tide over the hard times together. At that time, it was commonplace to slash salaries and remuneration heftily and most "wage earners" took this in their stride and they were willing to tide over the hard times hand in hand with their employers. Now that the economy has recorded persistent growth, the coffers of the Hong Kong Government are brimming and the industrial and business sectors have recorded sustained and considerable profits, employees hope that they can get a tiny share of the fruits of economic success. Little did they realize that the misers are still stingy in nature and apart from these miserly employers, our Government is also miserly.

The trouble is that the bargaining power of "wage earners" in Hong Kong is too weak and in the face of such moves by employers to kick down the ladder after them, labour relations will only become strained again. I think it is understandable if employees stage radical protests as a result.

In the final analysis, if we want to foster harmonious labour relations in the long run and enable companies and employees to share the fruits of economic success together, the Government must enact legislation to prescribe a minimum wage and maximum working hours as soon as possible.

I so submit.

**MR LEUNG KWOK-HUNG** (in Cantonese): President, speaking of the elderly, a group of elderly has sent me a letter with five health care vouchers attached to it. The beneficiary of the vouchers is Mr Donald TSANG.

Here, I wish to cite what they said. They said, "Meanwhile, five beautifully printed health care vouchers are attached and we would appreciate it if you could pass them on to Donald TSANG for him to use when he is 70 years old. York CHOW is even worse in saying that the elderly should foot their own medical bill when they fall sick and they must not fully rely on the health care vouchers. He is a Bureau Director who is even more moronic. He should step down as soon as possible!" These five health care vouchers are a gift from

Donald TSANG to all elderly people in Hong Kong. These elderly people are now returning these vouchers to him, hoping that he can feel the pain himself when he uses them at the age of 70.

All that the Chief Executive has said is simple. It is all stalling tactics. I remember that when I was newly elected as a Member of the Legislative Council, Mr TUNG had yet felt a pain in his legs. I asked if the Comprehensive Social Security Assistance (CSSA) payment could be increased as the Government had previously cut it on the ground of fiscal deficit. The several reductions of CSSA by the Government were targeting against the elderly and single-parent families. Why? It is because according to statistics, the elderly and single-parent families account for a very high percentage of CSSA recipients and so, every time the CSSA is cut, it is tantamount to wielding the axe at them.

Firstly, many elderly people have been barred from the CSSA net for various reasons, and they can only live on a few hundred dollars of the "fruit grant". Anyone who genuinely sympathizes with the people's sentiments — What I mean is that these people should not just look at the statistics, and they should ask the Secretary for Home Affairs or the staff under the Secretary for Home Affairs about the situation of the community, rather than just working according to the statistics. They should then know that many elderly people are feeding themselves on unwanted vegetables disposed of by other people, and I have drawn attention to this situation many times before. Sometimes, when I am still sipping my soft drink, many elderly people will come over trying to grab my can. A Chief Executive who is genuinely concerned about the elderly absolutely will not act capriciously or deliberately refuse to increase the "fruit grant". His purpose is to make his apologists or political parties in the Legislative Council beg him. Only an Emperor will do such a thing! He turns a blind eye to the life and death of his people, refusing to give them anything. Then, some people will kneel before him and implore him to show mercy and to give a little bit more to the people. That Donald TSANG should manipulate politics in such a way is, I think, utterly despicable.

Secondly, the Government, despite its huge reserve, does not have the resolve to levy a bit more tax from those plutocrats who have over the past two years reaped so much profit that they cannot even put their socks on, and then use the money to set up a fund for implementing the reforms that Donald TSANG has been bragging about. The Government, especially Donald

TSANG, as evident in his remarks about the Cultural Revolution being an extreme form of democracy, is suffering from schizophrenia. They said that enterprises would be asked to take up their social responsibilities, but then, they have even reduced the most basic responsibility of the enterprises, that is, the responsibility of paying tax. How possibly will the Government make them do good deeds? Is this Government crazy?

If our Government can slightly increase the tax on the rich people when they are making colossal profits, coupled with the huge reserve that has been amassed, Hong Kong will have a higher platform for manoeuvring, and the so-called conditions required for developing social enterprises can all be met. Social enterprises cannot succeed without the facilitation of government policy and funding. But the Chief Executive, in bragging about promoting social enterprises, has told the enterprises not to spend the tax rebate on speculative activities in the stock market, but give the money to the poor people. Is the Chief Executive crazy? I think he is crazy. His political stupidity and political dementia is precisely the result of the election of the Chief Executive by a coterie of 800 people. This is a kind of pork barrel politics.

The Government has always said that it has done everything it can, but this is not true. I have cited an example before. Mrs Regina IP, a candidate of the Legislative Council election, also said that she would endeavour to do a good job in everything. Let me quote her words to this effect: She said that she would strive for excellence and perfection and so, she wanted to serve Hong Kong people and contested the election. This is a promise, like the one made by Chief Executive Donald TSANG during his electioneering campaign back in March. However, Chief Executive TSANG is better, because in his pamphlet we did not find four typos in 500 words, which is what we found in Mrs IP's. That said, even though Chief Executive's is better, and although he made no typographical error and did not do such stupid thing as to make four typos in 500 words while claiming that he would strive for perfection, and even though Chief Executive TSANG has a full team of people helping him with his campaign which was spectacular and successful, he has failed to do what he had promised to after he came to power.

We have all seen how Chief Executive Donald TSANG has implemented policies. On the minimum wage issue, I am currently engaged in court proceedings with him. I think the Chief Executive is duty-bound to set a minimum wage for workers whose income is not sufficient to make ends meet. But the Chief Executive disagreed and told me to give him some time. He said

that the issue would be reconsidered if the result turns out to be ineffective. What kind of a Chief Executive is he? The situation is that workers sweat and toil in their work but do not have enough food to eat and yet, the Chief Executive can still remain indifferent.

So, these five elderly people are right. The Chief Executive should actually study in the May Seventh Cadre School. Since he does not know much about the Mainland or the Motherland, let me tell him now that he should study in the May Seventh Cadre School, just as people did during the Cultural Revolution. Please also bring along the three Secretaries of Department and 12 Directors of Bureau and laboriously work 12 hours a day. He should try this kind of life for a week and think about the sweetness and bitterness when he comes back, then he would never again do what he is doing now. Does he dare to go to the May Seventh Cadre School? Does he dare to invite reporters to film him? He certainly will not do this. What he is most capable of doing is to whistle in front of the fish pond, is he not?

So, I think the entire problem is.....I have put his back up time and again and he is still wearing that embarrassing smile without giving any answer whatsoever. When we corrected him that the Cultural Revolution is not extreme democracy, he said that e-mails had been sent and that was all. This is a typical reaction of the Chief Executive and that is, when he made mistakes, he would say that e-mails had been sent. He did not give any answer to the question but he said that he had already answered the question.

So, our Motion of Thanks should be revised as "Motion of Apology" and that is, the Chief Executive should offer his apologies to all the people who have been attacked by his "verbal violence". He had issued a statement criticizing Members for using "verbal violence" on government officials which he considered absolutely intolerable. I must tell him that his skill of "verbal violence" has reached the acme of perfection. He can describe the universal suffrage system in California as an instance of an extremely democratic government losing control of the situation, and he can describe the Cultural Revolution which plunged our Motherland into a decade of disaster as an extreme form of democracy. Do these not constitute "verbal violence"? He is treating Hong Kong people to "verbal violence" every day, equating the call for minimum wage with ignorance of the economy. My buddy, he has visited so many countries. Is there not a minimum wage in those so-called developed capitalistic countries? I must say that the "verbal violence" used by him and his skills in telling lies brazenly are an eye-opener to me indeed.

Hong Kong people cannot choose their Chief Executive but they can still choose their Members of the Legislative Council. Whoever entered into an alliance with the Government, whoever made themselves the enemy of the lower class time and again during their term of office as a government official, and whoever enacted laws to deal fatal blows to human rights in Hong Kong are the allies of the Government. Even though we cannot choose the Chief Executive, there are still other things that we can do.

So, I think Donald TSANG should come here to offer his apologies by making three bows. He should apologize for his wrong comments on the Cultural Revolution, to these victimized elderly people, to those people who toil all day long but still cannot earn enough to make ends meet, for not increasing the CSSA after reducing it, for reducing tax for no reason at all, for not increasing tax, and for not seizing the opportunity of a robust economy to set up a fund to implement reforms in society. Thank you, President.

**MR JAMES TIEN** (in Cantonese): Madam President, on the day when the Chief Executive delivered his policy address, the Liberal Party gave him over 90 marks when we made our comments openly. What makes the policy address fall short of perfection is — many people in the community must think that in the view of the Liberal Party, the flaw must lie in areas relating to creating a business-friendly environment or ways to take forward economic development. But what makes us deduct a few of his marks is inadequate welfare for the elderly. Our view is that this policy address has mapped out many grand and ambitious plans, such as developing 10 major infrastructure projects at a cost of \$250 billion, and in respect of the tax relief measures, the profits tax and salaries tax, which were increased after the SARS incident in 2003, will be reduced and this, the Liberal Party absolutely agrees. Tax had been increased indeed at that time and so, it is proposed to be reduced now. It is not the case as described by some colleagues in this Council, that the profits tax is reduced for no reason to the neglect of the elderly.

We consider that both profits tax and salaries tax have room for reduction, and in respect of welfare for the elderly, more assistance can be provided to the elderly since we have sufficient resources. We gave our support to the Government's reduction of the profits tax and salaries tax rates to their levels in 2002-2003 first, but in the meantime, we noticed that the Old Age Allowance (fruit grant) had not been reduced in 2003 in the light of the economic downturn,

but having said that, it has been frozen for nine years. Although the inflation rate in recent years has not been on the high side, we expect it to be higher next year than the current rate or the levels in the past years. Yesterday, the exchange rate of Renminbi against US Dollar was higher than 7.5, and if things go on like this, the "fruit" of the "fruit grant", as Mr Fred LI said earlier, will be more expensive. This, we understand, and we did notice this point later. The Liberal Party initially proposed that the \$625 "fruit grant" be increased. Then, how much should the "fruit grant" for elderly people aged 65 to 70 be increased in order to be considered reasonable? We think that if it is increased to \$700, the rate of increase will be 14%, and if it is increased to \$800, the rate will be over 20%. This is our initial view.

However, some friends in the media asked me yesterday what the Liberal Party thought about the several amendments concerning the rate of increase of the "fruit grant". I said at the time that apart from Mr Albert HO's amendment, which we would certainly support as his amendment consists of just one simple line calling for an increase in "fruit grant, we would take an open attitude towards all the other amendments. We would like to listen to the reasons of the other Members for justifying their proposals on the rate of increase. Today, Mr Fred LI already said that he had conducted an opinion poll. Certainly, I do not think that this kind of opinion poll will have much value for reference, because if we ask the public: "Which option is better: increasing the "fruit grant" to \$800, \$900 or \$1,000?", they will certainly say that it is best to increase it to \$1,000. If I conduct another opinion poll and ask them what they think about increasing it to \$1,100, certainly this will be supported by 60% of people, and the increase will be higher than Mr Fred LI's proposal of increasing it to \$1,000 in his opinion poll. Yet, regarding the computation mentioned by Mr Fred LI, we can say that it is correct. If it is to be increased from \$625 to \$900 under his proposal, which means an increase of \$275, and if we multiply it by 72 000 recipients and further by 12 months, only \$230 million will be required. With regard to the other allowance, there are 30, 70 — Sorry, there are 370 000 elderly people involved and if we increase the payment by \$300, \$1.3 billion will be required in total. So, the total amount will be some \$1.5 billion to \$1.6 billion. The Liberal Party agrees with the figures mentioned by Mr Fred LI earlier.

Let us further consider this: The Government has such a huge reserve which is said to be over \$60 billion. After the tax relief or tax reduction for the middle class, and after the many infrastructure projects, can the Government also



provide more benefits to the elderly at the same time? Although percentage-wise, an increase from \$625 to \$900 will mean as much as a 40% or 50% hike, which sounds quite a lot, and the percentage of increase of the other allowance from \$700 to \$1,000 is also quite substantial, the actual amount of money required is only \$1.5 billion to \$1.6 billion. So, after studies and having listened to the views of Mr Fred LI, the Liberal Party thinks that we can support his proposal.

Besides, Mr Fred LI's amendment did not mention the capital limit of \$169,000 in the means test for elderly people aged 65 to 70, which has resulted in only 72 000 elderly people becoming eligible for the "fruit grant". I think as this requirement has not been reviewed over the years, a review can be conducted. I think it is still appropriate to increase the capital limit to \$200,000, because this capital limit has not been reviewed over the past nine years, and this may benefit more elderly people in addition to the 72 000 existing recipients. However, we estimate that the number of recipients will not increase considerably and so, it will not create too great an impact on the Treasury.

Another issue which also falls into the scope of social welfare is health care vouchers on which the Liberal Party has put forward proposals. We think that since it is proposed to give out on a yearly basis health care vouchers worth \$250 only (a total of five vouchers worth \$50 each) and the vouchers are non-transferable, that is, even a husband cannot transfer his vouchers to his wife, and they cannot transfer their vouchers to their neighbours, we consider that abuse is unlikely to happen. I also support that the elderly people be allowed to save the unused vouchers for use next year, that is, the vouchers should be allowed to be saved up for future use. We think that if the amount is to be increased to \$1,000, it means an average of less than \$100 a month, and more health care vouchers can be provided to the elderly for them to use flexibly. They will have greater flexibility in choosing to buy medicine or Chinese medicine for minor flu and coughs or consult a Chinese medicine practitioner or a Western medical practitioner. So, I think the Government should consider this proposal. The overall expenditure to be incurred will be about \$300 million to \$400 million only, which will not greatly increase the financial burden on the Government.

Lastly, I would like to say a few words about Mr Frederick FUNG's amendment. I have considered his amendment for some time and I have also

discussed it with my fellow party members, because Mr Frederick FUNG's amendment calls on the Government to implement all the recommendations made by the Legislative Council Subcommittee to Study the Subject of Combating Poverty. The Liberal Party has said that we take exception to a few recommendations made by the Subcommittee in the report, such as the proposal of providing free medical and health care services to all elderly people. We agree that more assistance can be provided to elderly people in need, rather than providing free medical and health care services to all elderly people. Certainly, the proposed health care vouchers may have something to do with this. Another point with which we disagree is the recommendation concerning offsetting the long service payment or severance payment by the accrued contributions made for employees under Mandatory Provident Fund (MPF) schemes. This is an issue involving employers and employees, and it has been debated over the years since the introduction of the MPF. So, we do not agree to this point.

Another point is about universal retirement protection, or the so-called OPA, which means that all the elderly people aged above 65 can receive \$3,000. I think if some elderly people do not need financial assistance, it is unnecessary to give so much money to them. It is different from the "fruit grant", as we are talking about \$900 to \$1,000. The "fruit grant" is different from the concept of universal retirement protection or OPA, which means giving as much as \$3,000 to all elderly people above 65 or 70, and this will incur an expenditure of nearly \$25 billion per annum. I think the Government should not be spending money in such a way even though it has ample resources now. Madam President, these are the points that I would like to talk about.

The last point that I wish to make is about manpower. The Liberal Party is well aware that nowadays, Hong Kong society has enormous capital. The Government and the commercial sector are rich; the stock market is robust and has reached new peaks. So is the property market. But we are really in lack of manpower, and I mean management talents. I have noticed that in recent years, the number of people who come from outside Hong Kong (I am not referring to people from the Mainland, but those from the United States and Europe) has actually dropped. In view of this, I think the Government should attach importance to this problem. The Hong Kong Tourism Board has over 10 offices in overseas countries to attract tourists to Hong Kong and promote our tourist highlights. The Invest Hong Kong has also carried out work overseas to encourage foreign investment in Hong Kong. We think that the Government can set up similar offices in overseas countries. As to whether these offices

should be set up in the form of ETO or the TDC, I do not have any particular view on this. But we consider that the several Directors of Bureau should conduct recruitment exercises overseas, rather than just standing here saying that Hong Kong is such an excellent place second to none and that it would be a loss to the foreigners if they do not come to live or work in Hong Kong, just as what they used to do.

Competition for talents is so keen in the world now that it may be even more intense than the competition for capital or tourists. I think the Government should attach importance to this and publicity should be launched to promote the many strengths of Hong Kong, such as we have good law and order, a good health care system, and good transport networks. To foreigners, air pollution and international schools are probably the two biggest problems which must be addressed. Most of the foreigners with whom I have talked have expressed concern about these two areas only, and apart from these problems, they consider Hong Kong a very good place. But they said that in their home countries, there is just nobody from Hong Kong promoting Hong Kong to them, and we even seem to be saying that people will come if they want to and let us not force them to come if they do not want to. So, I think the Government must do more in this respect. Thank you, Madam President.

**MR ANDREW LEUNG** (in Cantonese): Madam President, the policy address puts forward the idea of a "Creative Capital". I fully agree with this proposal and I believe that we have to work harder on the education front to turn the idea of a Creative Capital into reality.

In the past few years, some Hong Kong products have already been granted zero tariff under CEPA. These products cover garments and textiles, watches and clocks, packaging and printing, optical products and machinery, jewellery, and so on. Many enterprises have already developed their original brand designs aiming at the high value-added market and some have even established new production lines in Hong Kong, providing a platform for creative, talented and aspiring designers to bring their talents into full play. With China joining the World Trade Organization, Hong Kong's creative industries, such as those of filming making and subsequent production, will find even greater room for development. The West Kowloon Cultural District project will also become the leading force in the development of cultural and creative industries in Hong Kong and in turn propel the development of creative

industries. All these tell us that society will need a large pool of creative talents. To sharpen the competitive edge of Hong Kong's industries, we must strengthen education on design to provide talents for the industries. Thus, the promotion of design education should brook no delay.

As Chairman of the Vocational Training Council (VTC), I am very glad to see that the VTC has established the Hong Kong Design Institute (HKDI). By providing world-class foundation design education, the HKDI trains talents for local creative industries, particularly in areas of multimedia production and product design. I hope that the Government will co-operate more closely with local educational and professional institutions, not only to formulate a long-term master development strategy for the creative industries, but also to continue to inject more resources to develop and provide quality design education, facilitate the rapid development of creative industries and entrench Hong Kong's position as the education hub, in a bid to attract quality students to study in Hong Kong, just like what London, New York, Paris and Tokyo are doing. I also hope that the Government can provide assistance for tertiary institutions to put in place more measures to enable more Hong Kong students to have opportunities to go abroad to learn and experience other creative cultures. Moreover, this can also attract outstanding overseas students to come to visit local tertiary institutions and thereby enhance student interaction, broaden their horizons and plant the seeds of creativity in our younger generations.

Madam President, on 11 October, the Chief Executive said at the Question and Answer Session on the policy address that we now have to compete with the rest of the world for talents. The policy address has thus proposed a number of new initiatives to attract talents to study or work in Hong Kong. In this competition for talents, Hong Kong has many rivals, among which Singapore is very strong in attracting immigrants. Of its 4.5 million population, over 1 million are immigrants. The Senior Minister of Singapore, Mr LEE Kuan-yew, even said earlier that Singapore has to take in 2 million more immigrants to meet its future development needs. Other than its ongoing measure of providing Tuition Fee Grant to attract outstanding tertiary students, it also offers favourable conditions for overseas students, that is, they are eligible to apply for permanent residence as long as they remain in Singapore to work for no less than six months after graduation and they are entitled to enjoy the same status as a Singaporean national. Singapore also introduced the Personalized Employment Pass (PEP) in January 2007 to attract non-national applicants who

have worked there for two to five years with an annual salary of over SGD\$30,000 so as to attract more talents whom Singapore needs to stay behind.

The Commission of the European Union announced this week that in a bid to address the problem of a shortfall of 20 million technical talents in the coming 20 years, it plans to provide a Blue Card as a shortcut for talents to work in European Union countries. The technical elites in the Asian region are precisely what the European Union is looking for.

As such, we can see that if Hong Kong has to win this competition for talents and to secure these outstanding talents to Hong Kong, the Government will have to react promptly with new thinking and extra efforts to attract them from all over the world.

Madam President, I so submit.

**DR FERNANDO CHEUNG** (in Cantonese): President, this policy address is special in a way that it is a forecast made by the third Chief Executive as to how Hong Kong should move forward in the next five years, while explaining priorities of his administration in the future. It concerns not only a one-year projection, but also the overall philosophy of governance in the future. If we look at the policy address from this perspective, we will be very keen to find out in which direction we will move forward in the future in respect of the people's livelihood and social initiatives or projects, and also in relation to the disadvantaged groups in society. Indeed, when stressing the three principles that he insists, the Chief Executive already made it very clear that the economy is the primary goal and that economic development is the prerequisite of everything. Let us not argue this point with him for the time being. But if the economy is given top priority, and it is only when the economy has turned the corner that consideration will be given to how the disadvantaged groups will be taken care of, and if consideration is made with this frame of mind, let us first take a look at what the Chief Executive means by his idea of poverty alleviation, so to speak.

The Chief Executive considers that in the long term, the objective of poverty alleviation will be achieved by way of education. We can see that in this policy address, a major "gesture" is the implementation of 12-year free education and small-class teaching. These are commendable policies and we do

welcome them, as we also agree that education is indeed very important in the long term. But President, we are talking about poverty alleviation now, and we cannot just set eyes on results to be achieved in the long term. Poverty alleviation in the long term means reducing inter-generational poverty and so, 12-year free education will be the solution. But in fact, this is a "distant solution". Besides, honestly speaking, President, we have seen that in the neighbouring regions — let us not talk about the developed countries or the European and American countries — in Taiwan, South Korea, Japan and even Singapore, 12-year free education has long been provided; and in Macao, free education is even provided for 15 years. Be it 12-year free education or small-class teaching, we are actually lagging behind. These measures are basically long overdue.

What about poverty alleviation? We have seen that the implementation of policies on poverty alleviation indeed leaves much to be desired. President, let us take a look at the current situation which warrants measures to alleviate poverty. Earlier on (about two weeks ago), the Hong Kong Council of Social Service (HKCSS) published a report stating that according to the 2006 Population By-census and based on international indicators of poverty, 20% of households in Hong Kong or 1.33 million Hong Kong people have fallen into the poverty net. President, this figure of 20% is astounding, and only in those rather backward countries will there be 20% of families or households living in poverty. If we look at those developed territories or countries, the situation is the worst in the United States and yet, the worst scenario is that they only have about 13% or 14% of families in poverty, while ours is as high as 20%. I do not know how we should accept this figure.

Let us look at the report published by the Oxfam recently. Even for those who have a job, that is, the working poor, so to speak, 4.2 million people are involved; the working poor now accounts for over 13% of the working population, an increase of 90% over 1996 (which is 10 years ago). President, what kind of society is this? It has now been 10 years since the reunification, and what has happened? Why has policy implementation over the last decade resulted in a situation where the more the "wage earners" work, the poorer they become? Why has it resulted in a continued increase in the number of people in poverty? This is why I am so concerned about what this policy address of the Chief Executive will do to help the poor. If the Chief Executive has not made any mention of this respect in the policy address, what are we going to do in the next five years?

Let us come back to the actual figures. If we divide the household income in the last decade into 10 groups, the 10% of households earning the lowest income have actually earned 19% less in their monthly income, while those in the second lowest income group have earned 18% less. In other words, the actual income of the poorest households has dropped almost 20% over the past decade. However, the income of the highest income group has, on the contrary, increased by 13% over the past decade. President, this shows the severity of the gap between the rich and the poor. Furthermore, if we look at the percentage of income in the total income of society, the 10% of people earning the lowest income accounts for only 1.6% of the total income, but the income of the highest income group which also consists of 10% of the working population accounts for 40.9% of the total income of society, which is a few dozen times more than the former. President, we have actually become numb to all these figures. When we talk about those figures on, say, poverty or the Gini Coefficient, we react in a way as if nothing has ever happened. This is what Hong Kong is like now.

However, the tragedy in Tin Shui Wai occurred just a few days after the delivery of the policy address. The tragedy itself is very saddening. The family involved in the tragedy could not see a way out. If the mother in the tragedy had other choices or if she could still see a flicker of hope, I do not believe she would do such a cruel thing. But I do understand that a person who feels absolutely hopeless may do such a stupid thing precisely out of his love for his children, for he does not want to see his children suffer continuously in the human world. We certainly do not agree with this choice, but we understand the dilemma or the predicament faced by the person. When a family has come to a dead end with no way out, and as the husband who suffered from a fatal disease could no longer play the bread-winner role, while the wife herself suffered from mental illness.....We held a candlelight vigil promptly to talk to the residents.

I do not wish to speak any further on the situation in Tin Shui Wai. I think many colleagues have talked about the special difficulties in the district. But we have directly talked to some residents. Many kaifongs shed tears when they talked to us. They shared the same feelings and sentiments because many of them had thought about killing themselves. President, what kind of a society is this? When our policy address said that this is a time when the economy is almost the best for the last 20 years — the Chief Executive has said so before, and although he did not make this point direct in the policy address, the policy address still has such undertones. He said that the economy is robust with very

promising prospects, and that we should look up to our country. It is precisely because of this reason that the Government has resolutely reduced the profits tax. The "top earners" make an annual income of over \$1 million and yet, the Government is even going to reduce their tax further and as a result of this sweeping move, the Treasury will receive \$5 billion less. Two years ago, the Government also made a sweeping move of abolishing the Estate Duty which generated a revenue of \$1.5 billion per annum. President, the effects are permanent, for the Government will not have these annual revenues anymore.

But what about poverty alleviation? There is the proposal of giving health care vouchers worth \$250 to the elderly, which does not worth mentioning. I think many colleagues, and even political parties and groupings which seldom ask the Government to provide welfare benefits would consider the Government stingy. What are we talking about here? The Government advocated social enterprises, hoping that with an allocation of \$5 billion, the enterprises can make a meagre donation in return. President, this really beats me. What logic is it? If this \$5 billion — let us not talk about \$5 billion, and even if \$1 billion is injected for promoting the future development of social enterprises, that would already be a great deal of money and that would be very good already. But the Government is saying that it is not going to give away the money. It said that that more money will be given to people who are already making profits, turning a blind eye to the poorest people in great despair who subsequently took the path of no return. The remarks made by my colleague, LEE Cheuk-yan, have indeed touched a chord in me. He said, "wine and meat of the rich people smelled foul, while on the road there were bones of people who jumped to their death". My heart wept after hearing it. That our society has developed to such a state is really inconceivable.

A few months ago a dozen elderly people who live on scavenging were hit by vehicles, and some of them even died. What sort of a society is this? Government officials need just take a stroll in Central and they will find elderly people engaging in scavenging in some alleys and dark corners or even in broad daylight. They just have to show some concern and spend 30 minutes walking around Central, and I guarantee that they will run into at least one elderly person aged 60 or 70 who engages in scavenging. What is happening now? We have achieved so much development in society and we have been boasting about how grand the infrastructure is and how competitive and professional we are as a cosmopolitan. But how do we treat the most vulnerable group of people in society? We moved them to the most remote part of the territory; we have not



given them opportunities, and the facilities, services and support for them are inadequate. When incidents had happened, what did the Government say? It said that it could not manage, that it was impossible to take care of each and every member of the community, and that every citizen must stand on their own feet. It said that a Family Council would be set up, that the core values would be established, and that families should take care of themselves. But these are not the things we want. We are most practical. The Chief Executive has indeed done something practical, as he made it very clear that tax relief would be provided at a cost of billions of dollars; there is a one-off relief, and there is also reduction of rates.

President, if this policy address has expressed our priorities in such a way and if we will face Hong Kong people in such a way in the next five years — President, the people involved are not small in number, for 20% of our population who live in poverty are involved. Members may not believe this, but I do not make this up. This is worked out by the HKCSS according to the Population By-census based on international poverty indicators. If Members do not believe it, please take a look at the report of the Oxfam. If they do not believe it, they may look up the statistics published by the Census and Statistics Department. The statistics are shocking. Please take a look at what is really happening and take a walk on the street. During our visit to Tin Shui Wai, a kaifong told us that he sold shoes in a market in Tin Shui Wai but since The Link became the landlord, the rent had been increased twice by 20% each, and he was paying almost \$10,000 monthly in rent. He said that he got angry as he ran his business, because business was slack. Not only the seller gets angry, those who would like to buy a pair of shoes get angry too, for they cannot afford them.

Members can take a look at the prices of fresh provisions in Tin Shui Wai, which are more expensive than those in Yuen Long. Yuen Long is thriving, and many people can afford buying fresh food in the market. But why? Why are there "dawn markets" in Tin Shui Wai? Why do so many people leave their home at five o'clock in the morning to buy things that are cheap but rather poor in quality? Why are there these "dawn markets"? President, why are there "dawn markets" in Hong Kong? Because people have too much spare time and cannot sleep at night that they come out to do business? What exactly has happened?

Hong Kong is a cosmopolitan in the 21st century. I am not saying that everything is the responsibility of the Government. Insofar as these tragedies

are concerned, the responsibility largely lies with the people concerned. But should we examine our conscience and do some soul-searching? If, in our philosophy of governance and priorities of policy implementation, we have not placed these people within the detectable range of our "radar", that is, if we are not genuinely committed to helping them, then we are not safeguarding the interest of these grassroots in our policy implementation, and if we have never thought about getting in touch with these people or we have never ever come into contact with them, they will become detached from society. We, people of high repute who have achieved success in the commercial sector or other fields, cannot in the least understand the living of the grassroots. You have never been to the market to buy food, and you have no idea at all how much the food costs, and you do not know how expensive the prices of meat and vegetables are. You have no idea about all these. Those single-parent families drawing CSSA told us that they always feel at a loss in the market, for they do not know what to buy because they cannot afford the food. They do not even have the means to buy food for one meal. President, I really do not know what to say.

We do not see that this policy address has displayed any determination on the part of the Government to work truly from the perspective of the grassroots and to truly take care of them. We have a strong financial position now, but if the grassroots cannot move upward, this society will have neither harmony nor hope. The Government has only been making empty talk about how the fruits of economic prosperity will be distributed among various sectors of the community. But what has it actually done? The most practical measure taken is tax reduction. Reducing tax at a cost of billions of dollars is nothing. But what about helping the poor? If hundreds of million dollars are earmarked for setting up this fund and another hundreds of million dollars are allocated for setting up another, the distribution of resources will not be completed even a decade later.

President, it seems that social enterprises have been operating very smoothly, and this is also what I wish to see. But let us look at the scale of their operation now. We have over 200 social enterprises employing about 1 100 employees, compared to a working population of over 3 million. There are over 160 000 people out of job. How will social enterprises help these people? With regard to the 160 000 unemployed workers, even if we increase the number of jobs by ten times from 1 000 to 10 000, which means expanding the scale of social enterprises by ten times, this can realize only in the very distant future. Moreover, to attain this target, it will be necessary to take drastic steps and set

many rules and regulations requiring compliance by social enterprises. However, 90% of the social enterprises are now operating with a loss and so, how can this be viable? If this idea is profitable in the market, people would have been doing long since. The fact is that social enterprises will stand some chances of success only if they engage in highly labour-intensive business with a very small profit margin or in some very special market niches. Otherwise, the Government has to specially create a market for their survival. There are still some cases of social enterprises operating successfully. For instance, the 7-ELEVEN convenience store at the Hong Kong Polytechnic University will definitely be a success, because no similar store can be found in the proximity, and as long as the store is required to operate in the form of a social enterprise, it will definitely become successful. But if we are talking about shops in Queen Elizabeth Hospital and once they are put up for public tender, there would be no chance for social enterprises. Social enterprises simply stand no chance of success if the Government does not implement special measures to facilitate their operation. Yet, I still cannot see that this policy address has made any mention of this.

Finally, President, what I wish to see is that Donald TSANG's government and its principal officials will really show us their sincerity and commitment. We certainly wish to have a harmonious society. We do not wish to see so many contentions and disagreement. We very much hope that the quality of living of all members of the community will be improved at the same time. We do not wish to see a divided society where some people, especially the new arrivals or other disadvantaged groups are singled out as targets of discrimination. We hope to instil in the community a feeling that we feel better when other people's living is improved. We hope that community relation is not a zero-sum game. It is not a relation that when your life is improved, mine will become worse. I think on this point, we in the upper-middle class can do a lot more.

Comparatively speaking, we are already very affluent in our living. What we are talking about now is not life-and-death issues, or problems about the community not taking care of people who are starving to death and dying of illness. No, we are not talking about these. A lot of progress has been made in society, but what follows is difficulties and pressure. Nowadays, it is difficult to make ends meet, and inflation is like a fierce tiger. If we still do not take actions promptly and if we still do not do something promptly in those districts, especially Tin Shui Wai, and if we still do not truly make commitments

and take some really down-to-earth measures to address these problems, I am afraid that the Government will only continue to chant empty slogans, and it is useless to only talk about how many principles it will insist and how many infrastructure projects will be implemented. Thank you, President.

**MR KWONG CHI-KIN** (in Cantonese): Madam President, Secretary Matthew CHEUNG sat here for a very long time, so he should have heard the views of many Members on the issue of minimum wage. Many unionist Members have mentioned our views on the issue of minimum wage. Secretary Matthew CHEUNG has frequent contacts with us from time to time, so I believe he should have a very good understanding of our views.

Both Mr WONG Kwok-hing and Miss CHAN Yuen-han of the FTU have presented the views of the trade union. In general, we accept the stance outlined by the Chief Executive in his policy address in respect of minimum wage. However, we are slightly worried whether some problems may arise in the process of implementation and enforcement. Madam President, the Chief Executive has outlined his stance on minimum wage in paragraph 78 as follows (I quote), "If the mid-term review (he refers to the Wage Protection Movement (WPM)) is unsatisfactory, we will further promote the movement as well as proceed immediately with the preparatory legislative work on a statutory minimum wage. An overall review of the WPM will be conducted in October next year. If the voluntary movement has failed, we will introduce the bill on a statutory minimum wage for security guards and cleansing workers as early as possible in the 2008-2009 Legislative Session." (End of quote)

Madam President, in fact the Chief Executive has already explicitly set down a legislative timetable. We all know that the Labour Advisory Board (LAB) will conduct a mid-term review of the WPM at the end of this month. In fact, the labour sector is not too worried about such a review to be conducted by the Government. The labour sector has long predicted that such voluntary movements would not achieve any great results. If voluntary movements really work, there would not be any need for enacting legislation, and then there will not be any value for the Legislative Council to exist. The basic function of the Legislative Council is to urge the Government to formulate its policy intents and have them implemented through the enactment of legislation. On the issue of wage, in fact there must be a certain degree of conflict of interests between

employers and employees. In fact, it is not very likely for us to expect that the employers would voluntarily pay higher wages to the employees. The two work types, cleansing workers and security guards, have the least bargaining power. As we have said before for many times, they are the two work types that have the least bargaining power. It is quite unlikely that we can rely entirely on the kindness of the employers to pay them more in wages. However, since the Government had wished to implement the WPM, then let it have its way. As it had hoped to conduct a mid-term review, then let it conduct it by all means. However, even before the meeting has been convened, we already know the result. All that the labour sector has been waiting for is the meeting to be actually held, and everyone in the sector knows that the review would definitely come to the conclusion that "it has failed".

Last year, during the debate on the policy address, we were given the assurance by the Government that a mid-term review would be added. The Government had announced that the movement would take two years to see its effect, but we had successfully made the Government conduct a mid-term review. In doing so, the Government had hoped to do what the Chief Executive has said now, that is, it can have the time to make the so-called preparations in the course of implementing the WPM. If the WPM were really proved to have failed, the Government would then proceed with the preparatory legislative work on the issue. In fact, we really need to fight for more time because we all know that it takes time to draft legislation. It is necessary to address certain technical problems, and it is also necessary for the Government to clarify certain policies before it can proceed to enact legislation. I really hope that the Secretary can lead his colleagues to implement this policy intent of the Chief Executive. If the mid-term review does show that the movement has not achieved satisfactory results, then he will really proceed with the preparatory legislative work on a statutory minimum wage. The preparatory work includes the formulation of some policies as well as some drafting instructions, so as to enable lawyers of the Department of Justice to proceed with the enactment of the legislation.

Madam President, the Chief Executive has said explicitly that if the comprehensive review to be conducted in October next year also shows that voluntary participation does not work, the Government will table the bill as soon as possible in 2008-2009. I hope the Government will not hesitate anymore. The Chief Executive had said that the Bill would be tabled as soon as possible in 2008-2009, and he was not saying that the drafting process would only start by

then. In other words, before this Legislative Session comes to an end next year, the Government should have formulated a very explicit legislative programme outlining how the legislative process will proceed. Of course, we still have to wait for the release of the outcomes of the mid-term review and the comprehensive review. But after the completion of the reviews, the Government should immediately be able to table the legislation; otherwise, it shall not be able to fulfil the Chief Executive's undertaking by tabling the bill in 2008-2009. This is because if the law drafting process only starts in 2008-2009, then it will take another year or six months to complete, and in that case, the target cannot be achieved.

Madam President, in short, we can accept this cheque issued by the Chief Executive, but we hope that the Secretary can fulfil the Chief Executive's undertaking and do not turn the Chief Executive's cheque into a "dishonoured cheque". This is the minimum demand of the labour sector. Thank you, Madam President.

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

**MR CHAN KAM-LAM** (in Cantonese): President, I also wish to respond to the views expressed by Mr Albert HO earlier on. He mentioned what Mr Martin LEE had said as well as some responses made by Mr Jasper TSANG.

Mr Albert HO pointed out that Mr Jasper TSANG's comments constituted a very serious accusation. According to Mr Albert HO's explanation, "engagement" was nothing more than communication and dialogues. Simply by reading some press reports or referring to the comments made by some academics, we can clearly find out whether "the engagement" mentioned in Mr Martin LEE's article was really just some plain communication and dialogues. In this way, we can find out whether Mr Jasper TSANG's comments had constituted a very serious unfounded accusation.

President, I would like to read out a press report featured in today's *Sing Tao Daily*. Why do I wish to read out this press report? The main reason is, I hope Hong Kong people can examine the article in question through reading this report, and understand that what was mentioned in that article, what its contents were, and so on. This would be much better than making responses to

responses among Members, yet Hong Kong people may not know what we have been talking about all the time. Were Mr Jasper TSANG's comments, as Mr Albert HO has said, made with a political motive intending to exert pressure on people holding dissident views?

In a press report featured in today's *Sing Tao Daily*, it reads, "Starting from 12th of this month, Martin LEE, SIN Chung-kai, Vice Chairman of the Democratic Party, and LAW Yuk-kai, Director of the Hong Kong Human Rights Monitor, went on a tour lasting for more than 10 days to Europe and North America to meet with officials, Members of Parliaments of the European Union, Britain and the United States. Among them, there were Stephen HADLEY, National Security Advisor of the United States, and others. The trio requested them to support Hong Kong in fighting for the implementation of dual elections universal suffrage in 2012. They also requested the European Council to move a resolution to the effect of supporting the implementation of elections universal suffrage in Hong Kong as soon as possible. Martin LEE even pointed out that the United States Government was very concerned about democracy in Hong Kong, and that the strategy of the United States was to support democracy all over the world. Apart from urging the European and American governments to support the fight for democracy in Hong Kong, Martin LEE, in a rare move, even touched on the issue of the Olympic Games. In a luncheon hosted by the Democratic Foundation in the United States, he delivered a speech on the topic of the opportunities arising in the Olympic Games in China and Hong Kong. On 17 October, he published an article in the *Wall Street Journal* entitled 'China's Olympic Opportunity', in which he openly called on George BUSH, President of the United States, to exert pressure on Beijing on the occasion of the Olympic Games, in order to improve the democratic and human rights situations in China. In the article, Martin LEE criticized that George BUSH should not accept President HU Jintao's invitation to attend the Beijing Olympic Games as a sports fan; instead, he should take a broader vision of the possibilities that come with the Beijing Olympics. He should use the next 10 months to press for a significant improvement of basic human rights in our country, including press, assembly and religious freedoms." These are the details of the article.

In his criticism, he said that the Chinese leaders had promised in bidding for the hosting right that they would promote the development of democracy and human rights. He also pointed out in the article that, ".....instead of the hoped-for reforms, the Chinese government appeared to be backsliding on its promises, including in Hong Kong where we have near total political paralysis,

not the promised road to full democracy. That is no reason to give up on the prospects for reform in China. But it is reason to step up the direct engagement on these pressing issues." In his opinion, China needed structural and long-term reforms, including placing the Communist Party under the rule of law, unshackling the media and Internet, allowing religious adherents to freely practice their faiths, and so on.

The article also mentions this, "Mr BUSH and other world leaders planning to attend the Olympics should not wait for the opening ceremony, but must start now with sustained efforts to achieve this agenda." Martin LEE also cited the example of South Korea, saying that the Seoul Olympic Games had propelled the transformation of the country from a military dictatorship into a democratic society. He opined that, as demonstrated by the Korean example, the Olympics certainly presented an opening to raise these issues in the context of the Chinese Government's own promises. "With regard to campaigns in the United States and elsewhere to boycott the Beijing Games over the Chinese Government's trade with and support for regimes in Sudan and Burma, " Martin LEE said that he would encourage backers of these efforts to consider the positive effects Olympic exposure could still have in China, including scrutiny by the world's journalists. "Of course, this is certainly the time for Chinese leaders to step up and constructively use their clout in Asia and Africa. In so doing, Beijing should open a new chapter of responsible foreign policy and convince the world it is not oblivious to these issues." He stressed that he hoped that the Games could have a catalytic effect on the domestic and foreign policies of the Chinese government. "But how does it profit our nation if it wins gold medals but suffers from the continued absence of democracy, human rights and the rule of law?"

I believe that, after reading his article, Hong Kong people can clearly appreciate that in many parts of Martin LEE's article, they were not what Mr Albert HO had described. Were they just some petty dialogues, how could they affect China? In fact, he hoped that foreign governments could step up their intervention in China.

Naturally, his article has sent shock waves through the circle of intelligentsia in Hong Kong. Let me quote again from the press report I have referred to just now, which depicted how some academics responded to the article: "It is understood that the Central Government is concerned about Martin LEE's article, which validates their belief that Martin LEE has been collaborating with foreign forces. 'Being the political leader of the



pro-democracy camp, Martin Lee has taken a stance that will make Beijing even more wary of the pro-democracy camp and it would further dampen the relationship between the two sides', says Dr Timothy WONG, Associate Director of the Hong Kong Institute of Asia-Pacific Studies, The Chinese University of Hong Kong. According to Dr Timothy WONG, Martin LEE's article in the *Wall Street Journal* reflected his long-standing position and value judgement, because Martin LEE had always believed that human rights were bigger than a nation, and that he had always been asking the international community to exert pressure on China. However, Dr Timothy WONG believes that even members of the pro-democracy camp or Hong Kong people who do not always agree with China may find it hard to accept the stance Martin LEE had taken in this incident, for this issue has touched on where the line of boundary of national interests should be drawn. Even Hong Kong people who always disagree with China believe that it was a matter they should take care of by themselves, instead of trying to solicit help from the international political arena, where myriads of conflicting interests were involved." These are the viewpoints of Hong Kong academics.

On the other hand, another academic has expressed a different viewpoint on this incident, and he is Prof James SUNG, Programme Leader of the School of Continuing and Professional Education (SCOPE), City University of Hong Kong. "Martin LEE's article was very bold and outspoken, in that he had explicitly asked the United States to interfere with the internal affairs of China. It is believed that his article would attract criticisms on the one hand and instigate debates within the pro-democracy camp on the other," said James SUNG. According to James SUNG, "The *Wall Street Journal* is mainly financed by conservative US consortia, so they are by and large politically representative of the conservative forces of the United States." James SUNG opined that "political figures in Hong Kong would rarely solicit foreign forces to interfere with China's internal affairs in an open manner, and Martin LEE's action in this incident was somewhat weird." James SUNG added that, "As early as the beginning of 2004, during the debate on what made a 'patriot', Martin LEE had already been identified by the name and criticized by the Central Government when he demanded the United States to exert pressure on China for the protection of Hong Kong's democratization agenda. The article Martin LEE had written this time asked the United States to take the opportunity presented by the Olympic Games to interfere with China's internal affairs, which had obviously gone much farther than the request he made in 2004. The gravity of the matter is far greater than that of interfering with Hong Kong affairs."

President, why have I spent nine or nearly 10 minutes of my valuable time reading aloud the whole article in great detail? I did that primarily because I hoped Hong Kong people could listen clearly to and see the matter clearly, because many of them might not have read this article. Therefore, when we comment on the article released by Mr Martin LEE, we can have a clearer picture of the situation.

Of course, another Member who also took part in the visit was Mr SIN Chung-kai, who is also present today. I hope Mr SIN Chung-kai can enhance the transparency of their visit. For example, when you met with government officials of the United States, or even in the speeches you made to certain foundations, or when you met with the Secretary of State of the United States, what did you say to promote the interests of Hong Kong? What did you do to fight for the benefits and the democratic development of Hong Kong? And how did you invite foreign forces to interfere with Hong Kong affairs or the affairs of China? I hope he can report to Hong Kong people the speeches they had delivered and the contents of articles they had published. Thank you, President.

**PRESIDENT** (in Cantonese): Mr SIN Chung-kai, do you have a point of order?

**MR SIN CHUNG-KAI** (in Cantonese): I want to speak.

**PRESIDENT** (in Cantonese): You have already spoken once in this session.

**MR SIN CHUNG-KAI** (in Cantonese): President, may I respond to Mr CHAN Kam-lam's speech in this session?

**PRESIDENT** (in Cantonese): According to the decision of the House Committee as well as our normal practice in debates, each Member may only speak once. In this session, each Member may also speak only once. If you request Mr CHAN Kam-lam to answer your question, you may propose that you have a point of order, and see if he is willing to answer it. If you want to clarify something, you can only clarify.....

**MR SIN CHUNG-KAI** (in Cantonese): I am not requesting to clarify something. I want to make a response.

**PRESIDENT** (in Cantonese): I know, but you cannot speak again. Does any other Member wish to speak?

(No Member indicated a wish to speak)

**PRESIDENT** (in Cantonese): If not, Council will now be suspended for 10 minutes. When Council resumes, public officers will speak.

6.16 pm

Meeting suspended.

6.26 pm

Council then resumed.

**PRESIDENT** (in Cantonese): There are only 29 Members. Clerk, please ring the bell.

(When the summoning bell was ringing, a quorum formed in the Chamber)

**PRESIDENT** (in Cantonese): A quorum is now present. Council now resumes to continue with the third debate session. Three public officers will now speak in this session. On the basis of 15 minutes' speaking time for each officer, they have up to 45 minutes in total for their speeches.

**SECRETARY FOR LABOUR AND WELFARE** (in Cantonese): Madam President, I am grateful to Members for voicing a lot of constructive and valuable views and suggestions on the principles of governance and the measures proposed by the Chief Executive in the section entitled "Investing for a Caring

Society". The speeches of Members reflect their concern for and understanding of the grassroots in Hong Kong. I wish to stress that poverty alleviation is a major area of work for the new SAR Government.

Members will all remember that after two years of efforts, study and discussions, the Commission on Poverty (CoP) published a report in June this year and proposed the core strategy of helping people with working ability to move from welfare to self-reliance and away from poverty. For elderly people and socially disadvantaged groups that are incapable of providing for themselves, the CoP considers it necessary for the Government to continue to provide welfare assistance and a safety net to them, so that they can lead their lives with dignity.

This year's policy address has adopted the policy objectives proposed by the CoP and proposed a comprehensive and clear blueprint and framework with short-term, medium-term and long-term objectives in the areas of labour, manpower development and social welfare, so as to target people in various age groups and different social strata and provide diversified and multi-level services and assistance to them. We will continue to concentrate our resources on taking care of socially disadvantaged groups and those who are incapable of supporting themselves financially. Regarding members of the public with working ability, including recipients of Comprehensive Social Security Assistance (CSSA), we will follow the principles of "enhancing self-reliance" and "moving from welfare to self-reliance" by doing our best to create employment opportunities for them and enhancing their employability, so as to assist them in moving towards self-reliance, gaining a secure foothold in the labour market and remaining in continuous employment.

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

Concerning the policy areas of labour, manpower development and social welfare, there are three main points in the new SAR Government's beliefs in administration:

First, our conviction is that employment is the foundation of people's livelihood and the cornerstone of social harmony. The Government will promote key infrastructure developments, enhance the appeal of Hong Kong as an international convention, exhibition and tourism capital, invigorate local communities to attract investment and help the economy

power ahead, and create jobs of higher quality covering various industries and job types, so as to promote employment, achieve higher wages and narrow the wealth gap.

Second, we will enhance the employability and competitiveness of the grassroots through education and training. We will expand, rationalize and enhance the employment and training services currently provided by the Labour Department, the Social Welfare Department and the Employees Retraining Board. We will also launch a pilot scheme to try out the "one-stop" employment support service mode to help members of the public better equip themselves, cope with the economic transformation and implement the concept of "helping people to help themselves" and "attaining self-reliance". These measures, together with a 12-year free education programme, will help people at the grassroots improve their quality of life in the short and medium terms. In the long term, this can foster social mobility and reduce inter-generational poverty.

Third, in social welfare, we will adopt adding value to social capital as the target of welfare services development. We will encourage various sectors in society to complement each other through collaboration, so as to enable them to give full play to their potentials and benefit various social groups. In other words, the development of social welfare is not confined to the provision of social security and social services alone, rather, it is rooted in the concept of helping people to help themselves, so that both recipients and benefactors can use their capital to benefit other people.

Now, I wish to respond to several important issues raised by Members more frequently.

First, let me respond to the views concerning poverty alleviation. Some Members voiced the criticism that the poverty alleviation measures in the policy address could not immediately alleviate the pressure of living borne by the grassroots and the support provided to families with special problems and in crisis was also only at a bare minimum. I wish to point out that in respect of poverty alleviation, many Members have only placed their attention on whether new measures have been proposed in the policy address to the neglect of the fact that a series of measures recommended by the CoP has in fact been implemented successively or will soon be launched.

These measures include a pilot Transport Support Scheme for remote districts that was launched in June 2007. Just now, Mr WONG Kwok-hing voiced his concern about whether the scheme would be reviewed and relaxed. Yesterday, in my written reply to the Legislative Council question asked by Mr Frederick FUNG, I pointed out clearly that the next three months would be critical. We will step up publicity and if the result of the scheme is still unsatisfactory, I am absolutely willing to consider advancing the review to early next year. This is an undertaking that I have made clearly. A series of measures to be launched soon include promoting the development of social enterprises; establishing a high-level Family Council; establishing a Child Development Fund, the specific proposals of which will be put forward at the end of this year; extending the Comprehensive Child Development Service; the pilot "one-stop" employment service mode; relaxing the arrangement of disregarded earnings under the CSSA Scheme on 1 December and lastly, helping "hidden" and single elderly people and \$38 million has been earmarked for front-line work in this respect.

I wish to remind Members that 12-year free education has been proposed in the policy address. Together with the creation of 3 000 three-year job opportunities for young people in April next year and the extension of the coverage and admission criteria of the Employees Retraining Scheme, many people at the grassroots will be directly benefited.

Mr Albert HO and Mr Frederick FUNG suggested establishing a commission headed by the Chief Secretary for Administration dedicated to tackling the problem of poverty. We believe that in the past two years, the CoP has carried out some in-depth studies and held extensive discussions on the subject of poverty alleviation, as well as proposing a series of practicable recommendations. At this stage, the Government should unreservedly follow up and implement this series of recommendations made by the CoP in a pragmatic manner.

In this connection, we have set up a Task Force on Poverty (the Task Force) within the Government. Led by myself and comprising representatives of the relevant Bureaux and Departments, the Task Force will monitor the progress of implementing the recommendations made by the CoP and co-ordinate efforts across the Government in tackling poverty. We would follow up the implementation of the CoP's 53 recommendations and explore any new recommendation. The Task Force will report the progress of work to the Chief Secretary for Administration regularly.

When implementing the poverty alleviation measures under their charge, various Policy Bureaux and Departments will continue to — and I stress "continue to" — consult members of the public and the relevant groups. The Labour and Welfare Bureau will also give an account of the progress on poverty alleviation to the Legislative Council on a regular basis. Where necessary, the Task Force will also consider organizing seminars and forums to solicit views on specific issues and collect the views of the public, so as to enhance communication with various stakeholders.

Next, I wish to give a reply concerning the new measures designed to support elderly people. Many Members think that the Government is not sufficiently concerned about elderly people. In fact, the policy address this year has talked at length about elderly people. The new measures proposed include the allocation of a one-off funding of \$200 million to help improve the homes of elderly people living in poor conditions. It is estimated that 40 000 elderly people will be benefited. Mr Ronny TONG thought that this was the only measure but in fact, this is not true. Mr TONG, at the same time, we will also enhance the outreaching efforts made by elderly centres to singletons and hidden elders and strengthen referral, counselling and support services for elders in need. On providing support to their carers, we have launched trial schemes in three districts. From this month onwards, the District Elderly Community Centres, in collaboration with community organizations, will run carer training courses and it is estimated that around 660 volunteers will be trained in the first year, so as to develop "elderly-sitter" services. We will help publicize the information on key service providers through pamphlets and electronic links, so that elders and carers can have information on the provision of elderly services and relevant organizations when they need assistance.

In addition, in this financial year, we will further increase elderly day care places and the number of subsidized residential care places in the coming year, upgrade some of the residential care places in subvented residential care homes for the elderly (RCHEs) to provide continuous care and launch the first pilot project in Kwun Tong to provide integrated discharge support services to elderly discharges from hospitals. The trial scheme will last three years and it is estimated that a total of 3 000 elderly patients will be served and training for 1 000 carers will be provided in a year.

However, given an ageing population in Hong Kong, to keep increasing the supply of subsidized community care and residential care services alone will

not be sufficient to meet the wide range of growing needs. We will continue to promote shared responsibility of individuals, their families and society in meeting the needs of elders and encourage a balanced mix of public and private elderly care services to widen the choices for elders. In consultation with the Elderly Commission, we will consider the long-term planning of elderly services.

The Old Age Allowance (OAA), commonly known as "elderly fruit grant", is a focus of the discussion on social welfare. Various political parties and many Members demanded that the rates of the OAA be increased to improve the lives of poor elders. In fact, recently, the Chief Executive has explained on various occasions that in providing a cash allowance to the elderly, the aim is not to help solve the financial difficulties of the elderly. As Members all know, at present, elders aged 65 to 69 are eligible for the OAA and the income and means test is more relaxed. People aged 70 or above are eligible for the Higher Old Age Allowance, which is not subject to any income and means test.

For those elders who cannot support themselves financially, at present, the Government, under the CSSA Scheme, offers a safety net to enable elderly recipients to receive special care through the provision of higher standard rates, special grants and supplements. Public hospitals (including accident and emergency departments) or clinics also provide free medical services to elderly people and low-income people who are CSSA recipients.

Mr LAU Kong-wah, Mr TAM Yiu-chung and Mr WONG Kwok-hing of the DAB all proposed that the Government relax or cancel the permissible annual absence limit from Hong Kong for OAA. In fact, as Members all know, the permissible limit of absence from Hong Kong for OAA has already been extended from 180 to 240 days a year since 1 October 2005. It is only necessary for recipients to remain in Hong Kong for not less than 90 days a year to be entitled to the permissible annual absence limit from Hong Kong. This measure is implemented having regard to the wish of some elderly people to spend more time on travelling or visiting or staying with their relatives outside Hong Kong and ensuring that public funds are spent on Hong Kong residents who make Hong Kong their long-term abode.

I wish to point out that the Government will continue to listen to the views and proposals put forward by Members and various sectors of society and



explore how to provide more targeted assistance to needy elders. In addition, many Members have voiced a lot of views concerning health care vouchers for the elderly. Secretary Dr York CHOW will give a detailed response on this matter in the next session.

A minimum wage and standard working hours is an issue of concern to Members. Many of them have criticized the Government for not having enacted legislation on minimum wage and standard working hours, saying that it had disregarded the need to provide protection to the livelihood of grass-roots workers. I wish to stress that in October 2006, the Government took the first important step towards protecting the wages of grass-roots workers by launching a Wage Protection Movement (WPM). We will continue to promote the WPM designed to benefit cleansing workers and security guards in order to garner more support from various sectors of the community.

The Labour Department, in conjunction with the Census and Statistics Department, is currently collecting and analysing data for the mid-term review of the WPM. The Labour Advisory Board (LAB) will hold a meeting to discuss these data next Tuesday. In meeting of the Panel on Manpower of the Legislative Council to be held on 15 November, I will personally give an account of the results of the mid-term review and the direction.

The Chief Executive pointed out clearly in paragraph 78 of the policy address and Mr KWONG Chi-kin and Miss CHAN Yuen-han have also mentioned that, if the mid-term review indicates that the WPM has failed to yield satisfactory results, the Government will make preparations for two scenarios by stepping up promotion on the WPM on the one hand, and carrying out preliminary preparatory legislative work on a minimum wage on the other. If the comprehensive review to be carried out in October next year indicates that the voluntary movement has failed to yield satisfactory results, the Government will introduce a bill on a statutory minimum wage for cleansing workers and security guards to the Legislative Council as soon as possible in the 2008-2009 legislative year. The Government's position on this issue, with a timetable and a roadmap, is clear and distinct.

As regards standard working hours, the Government's policy has all along been to keep abreast of the social and economic developments in Hong Kong and strive to protect the interests of employees by striking a balance between the interests of employers and employees. This point is very important.

The issue of standard working hours is a complicated and carries far-reaching implications on our socio-economic development and labour market. The views of the Legislative Council, the LAB, academics and various sectors of society on enacting legislation to regulate working hours have all along been divided, too. We must be cautious in handling this issue.

The Labour Department, through industry-based tripartite committees, has all along facilitated negotiations among the Government, business associations and union representatives, the formulation of feasible measures, the promotion of reasonable working hours in various industries and the establishment of partnerships between employees and employers, so as to jointly improve the situation within an industry. The Occupational Safety and Health Council under the LAB published the "Guide on Rest Breaks" in July 2003 to encourage employers and employees to work out through consultation rest break arrangements that would suit the needs of employees and operational needs of the business. The Labour Department will continue to disseminate this message through various channels and promotional activities.

Deputy President, just now, Mr LAU Kong-wah expressed his hope that the Government can implement as soon as possible the provision of concessionary public transport fares (CPTF) to people with disabilities. We agree with this proposal to provide CPTF to people with disabilities because doing so will encourage them to go out and take part in various activities more often, so that the integration of people with disabilities into the society can be promoted. As the Chief Executive said sometime ago, the use of public money to fund the provision of CPTF to people with disabilities is being actively studied within the Government. It is expected that a decision will be made in one or two months' time and I will give an account to the relevant committee in the Legislative Council in due course.

Separately, a lot of Members have expressed concern about the incident in Tin Shui Wai. I stress that the Government is also very concerned about the problems in Tin Shui Wai. We will do our utmost to improve the public services within the area and remedy the inadequacies by all means. We will strengthen the mutual aid network and do our utmost to mobilize the community. It is very important to promote mutual aid, enhance a sense of mutual care in the community and promote social enterprises, in the hope of creating employment opportunities and imparting vitality, care and hope to the area. Next Tuesday, I

will also go to Tin Shui Wai to organize roundtable meetings with colleagues of government departments in the area, persons-in-charge of non-government organizations, co-workers in the social welfare sector, school principals and local figures, so as to delve into and understand the problems in the area. In the evening, I will meet the public and have dialogue with them in an open forum, in the hope of understanding their sentiments and the difficulties they are facing by listening to their heartfelt voices and feelings.

I also wish to response to the query of Mr Ronny TONG as to whether the Government would increase resources to deal with the problem of domestic violence. I wish to stress that in the past few years, we have adopted a number of proactive measures targeting families with special difficulties and in crisis. We have adopted a number of proactive measures and committed considerable resources to strengthening the support. Let me cite a few examples. First, the Social Welfare Department has strengthened the number of social workers in the Family and Child Protective Service Unit (dubbed the "serious cases unit") and in the Integrated Family Services Centre and stepped up district welfare planning, in particular, inter-departmental and multi-disciplinary collaboration. This is also very important. At the same time, new crisis intervention and support centres have been established and the functions of refuge centres for abused women have been enhanced this year by providing 80 additional places on top of the original 180 places. Furthermore, the Social Welfare Department's hotline service has been enhanced to step up child care and clinical psychological counselling services.

Deputy President, I wish to reiterate that the policy address has complete and forward-looking policy objectives in respect of labour, manpower development and social welfare. Strategic deployments have also been made to equip the grassroots and assist socially disadvantaged groups: on the one hand, through short-term and medium-term measures, immediate support and assistance are provided; and on the other, solid foundations and support measures have been put in place for long-term goals, so that various strata of society can all share the fruits of economic progress and take strides together in the new direction for Hong Kong.

Deputy President, with these remarks, I implore Members to support the Motion of Thanks. Thank you.

**SECRETARY FOR HOME AFFAIRS** (in Cantonese): Deputy President, under "one country, two systems", Hong Kong has to develop true capitalism. And in a society under true capitalism, justice, care and community benefits will certainly not be ignored. In the debate session just now, the focus is on the chapter "Investing for a Caring Society" of the Chief Executive's policy address. In this chapter, the Chief Executive put forth the idea of building a new caring culture. Just now, many Members have also expressed their sympathy and care for the disadvantaged.

Hong Kong has provided a basic safety net to the disadvantaged such as a series of poverty alleviation measures which were discussed in detail by Secretary Matthew CHEUNG just now. In this year's policy address, it is proposed that the development of social enterprises be promoted by motivating tripartite collaboration among the Government, business and society so as to create employment opportunities in the community. As several Honourable Members said, we do not seek to resolve all the poverty problems by a sole reliance on social enterprises. The purpose of developing social enterprises is mainly to strengthen the concept of helping people to help themselves and promote the establishment of a new caring culture. Through the commercial mode of operation, social enterprises can achieve these social goals.

It is necessary to consider complementary measures for the development of social enterprises. The Government has provided seed money in a number of specified areas to support the social enterprises in their initial operations. The "District Partnership Programme" launched last year has broadened the beneficiaries of social enterprises to include the able-bodied in the disadvantaged groups so as to provide them with job opportunities, enhance their employability and introduce the community-based partnership spirit. Since the "District Partnership Programme" was launched last year, around \$50 million has been allocated to various social enterprise programmes covering 80 different domains.

Other measures of supporting social enterprises including tax concessions and preferences in granting government contracts have also been mentioned. In fact, many social enterprises are operated by organizations registered as charitable organizations under section 88 of the Inland Revenue Ordinance and they are exempted from taxation. In respect of public procurement, some measures have been implemented by the Leisure and Cultural Services Department and the Hospital Authority to ensure that social enterprises which have hired people with disabilities can bid for their service contracts more easily.

As to whether similar arrangements should be extended to social enterprises which have hired the able-bodied, we have to consider carefully the impact on other service providers. According to Mr Bernard CHAN in the debate just now, as far as he has observed, successful social enterprises overseas are initiated by the lower strata of society and do not rely on government subsidies. So, when considering various policies and measures of supporting social enterprises, we should pay attention to the importance of maintaining a level playing field and avoid imposing additional pressure on the average small and medium enterprises.

In our opinion, to help the sustainable development of social enterprises, the most important thing is to create a social environment which is conducive to their development. The Home Affairs Bureau will promote the concept of social enterprises to the public in order to garner more public support. We will also study the possibility of co-operation with universities in grooming talents for social enterprises. Suitable talents for social enterprises should be those who are enthusiastic in charities and well-versed in the operation of the market. When the Summit on Social Enterprises is held on 20 December this year, people from the academic sector, business sector, non-governmental organizations and public sector will be invited so that they can explore the way forward for social enterprises and formulate action plans together.

Regarding support for the family, Mr TAM Yiu-chung mentioned the establishment of the Family Council and proposed the two-year tenure. The policy address has announced the establishment of the high-level Family Council to be chaired by the Chief Secretary for Administration for the purpose of providing holistic support to the family, as Mr TAM said. It is stated in the policy address that the Government is determined to promote the family as the core social value which will become the mainstream value. From the perspective of strengthening the role of the family, social policies will be formulated and various services planned. At present, the services provided and subsidized by the Government are all targeted at clients categorized by genders and age groups. The Government hopes that after the establishment of the Family Council, support for the family can be enhanced while various services are co-ordinated and planned with the family as the core to meet the family-related needs of women, children, teenagers and elderly people. The Family Council will advise the Government on strategies and measures for supporting the family and monitor the implementation of relevant programmes. It will also encourage mutual assistance among family members so that they can face their problems together.

Regarding the two-year-tenure approach, we do not intend to solve all family-related issues within this time limit. The two-year tenure is mainly the timeframe for dealing with the working relationship between the Family Council and the three existing Commissions. These three Commissions are the Elderly Commission, Women's Commission and Youth Commission. After the establishment of the Family Council, the operation of these three Commissions will be guided from the perspective of the family as a whole. Meanwhile, studies will be conducted on how best synergy can be achieved and how these Commissions can complement each other, with relevant suggestions to be made. We will consult the Family Council and the three Commissions in the hope of incorporating these Commissions fully into the framework of the Family Council by 31 March 2009.

We hope that with the Government's determination, the establishment of the Family Council and the support of various sectors, the functions of the family can be strengthened, the harmonious family relationship can be promoted and various service programmes can be co-ordinated and become more effective.

Thank you, Deputy President.

**SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY** (in Cantonese): Deputy President, I would like to respond to the views on public finances in this session. First of all, I am very grateful to Members for their valuable suggestions.

In the policy address, the Chief Executive said that he would insist on promoting economic development as our primary goal while at the same time, he would insist that the development should be sustainable and balanced so that people could lead a quality life. Meanwhile, he would insist that development should bring about social harmony, with different strata of people sharing the fruits of development. I would like to respond to Dr Fernando CHEUNG that economic development is taken as our primary goal because it will benefit most of the people whose livelihood can be improved. Regarding the views of Miss CHAN Yuen-han and Miss LI Fung-ying, I would like to point out that we are not talking about economic development only. Rather, we will insist on three principles and hope that a new direction for Hong Kong can be set.

Regarding public finances, as our economy is booming, corporate profits and employees' salaries are rising while the stock and property markets are robust, we estimate that the government revenue in 2007-2008 will be higher than expected and the financial situation in the future will be sound. So, we will make the best use of our fiscal surplus to respond to public aspirations for an increase in public services and reduction in taxes. Having considered Hong Kong's long-term interest, the Chief Executive has announced a number of measures on expenditure for improving people's livelihood in this year's policy address. These include:

- to continue to invest in education and provide 12-year free education and implement small-class teaching;
- to inject \$1 billion into the Environment and Conservation Fund for further promoting environmental protection and conservation activities;
- to earmark \$1 billion so that non-governmental organizations can apply for adaptive re-use of historic buildings;
- to launch a three-year health care voucher scheme for the elderly with a total expenditure of around \$450 million;
- to earmark \$200 million to help improve the homes of the elderly people in the next five years; and
- to increase the Government's recurrent expenditure on medical and health services from the present 15% to 17% in 2011-2012.

Regarding the 10 major infrastructure projects mentioned in the policy address, I would like to respond to Miss LI Fung-ying that sufficient resources will be earmarked within the Government and various departments will do their best to make co-ordination so that these projects will be commenced as soon as possible within the third-term Government. The Government will also continue to launch other major infrastructure projects and district minor works so as to boost Hong Kong's future economic development and create more employment opportunities.

I would like to respond to Mr Albert HO and Mr LEE Cheuk-yan that our infrastructure projects are vigorous policies in terms of public finance, with the

purpose of promoting economic development and creating more employment opportunities so that all people will benefit. According to our estimation, these infrastructure projects will create 250 000 new job opportunities in society and I believe many people will welcome this.

I would like to respond to Mr Ronny TONG's question just now as to whether or not infrastructure projects will give rise to inflation. We do not believe that there is a direct relationship between infrastructure projects and inflation. First, I would like to point out that these 10 major infrastructure projects will not be commenced on the same date. Co-ordination will be made so that the annual expenditure on these projects will remain stable. Besides, according to various economic analyses, there are numerous factors leading to inflation and many of such factors which are related to people's livelihood are mainly affected by external elements. The infrastructure projects to be launched will increase the capacity of our economy, thus enabling our city to cope with the future economic development. Let us imagine one thing. If we do not push ahead these infrastructure projects, when our economy grows and our infrastructure cannot cope with the demand, asset prices and rentals will rise, thus leading to inflation. In my opinion, infrastructure projects can stabilize the inflationary pressure in the long term.

Regarding tax revenue, it is announced in the policy address that the standard rate of salaries tax will be reduced to 15% and profits tax rate be reduced to 16.5% in the next financial year. In addition, rates for the last quarter of this financial year will also be waived. The Chief Executive has proposed these relief measures after gauging that the revenue for this year will be better than expected and thus actively honoured some of the pledges he made in his election campaign. We are glad that these measures of returning wealth to the people are generally supported by various sectors in the community. Meanwhile, we have also noted that there are views that these measures have mainly benefited the big enterprises and high-income earners while the general taxpayers and the ordinary public may not be benefited. So, I wish to respond to this point.

First of all, concerning salaries tax, I would like to respond to Miss LI Fung-ying, Mr Ronny TONG, Miss TAM Heung-man and Miss CHAN Yuen-han that when implementing tax relief measures, the Government will consider not only the interest of high-income earners. I believe Members will all remember that in this year's Budget, the Financial Secretary has already lowered the two marginal tax rates of salaries tax from 13% and 19% to 12% and



17% respectively. Besides, the child allowance has also been increased from \$40,000 to \$50,000, in addition to a new allowance of \$50,000 for each new-born baby. These measures will benefit all strata of society, particularly the middle-class taxpayers. In fact, in the 2007-2008 Budget, the marginal tax rates and tax bands for salaries tax have been fully reverted to their levels in 2002-2003 and the policy address has just reverted the standard rate to the level in that year.

After the full implementation of the tax relief measures proposed in this year's Budget and the policy address, the tax rates and tax bands for salaries tax will be at the most preferential levels in 20 years. We understand that there are still aspirations in society that further concessions should be offered in respect of tax bands, tax rates and various allowances. At the same time, however, we have to be prudent and to avoid the further narrowing of the tax base. We will continue to adhere to the principle of prudent financial management and "leaving wealth with the community where affordable". We will carefully consider suggestions of all quarters when formulating the 2008-2009 Budget.

Regarding the reduction of profits tax, I do not agree to the views of several Members. In my opinion, we should not regard this as a measure which will only benefit the big enterprises. Rather, we should focus our attention on the effect of tax reduction on maintaining Hong Kong's competitiveness. Our main purpose is to attract through tax reduction more enterprises to invest in Hong Kong, thereby promoting employment and economic development. If we take a look at the Asia Pacific Region and other major economies in the world, we will see that to boost competitiveness by means of cutting profits tax rate has become a major trend. Hong Kong has been one of the economies with the lowest profits tax rate in the world. However, our main competitors in the region have actively sought to reduce the tax rate differences between us in recent years. Take Singapore as an example. Their profits tax rate in 2008 has been reduced to 18%. Conversely, Hong Kong's existing profits tax rate at 17.5% has remained at a relatively high level in the past two decades. So, there is an objective urgency to reduce our profits tax rate to maintain Hong Kong's competitiveness in the region. As the Chief Executive said in the policy address, we will consider further profits tax relief if our economy remains robust and our public finances stay sound.

Miss TAM Heung-man pointed out that the Government, when reducing taxes and increasing recurrent expenditure, has to ensure the balance between

recurrent expenditure and recurrent revenue. This I agree. We will continue to adopt a prudent financial management approach and adhere to the principle of keeping the expenditure within the limits of revenues in drawing up our budget, and strive to achieve a fiscal balance, avoid deficits and keep the budget commensurate with the growth rate of our Gross Domestic Product.

Regarding the rates waiver, we consider this a concession which will benefit the widest spectrum of the public because residents in public rental housing, middle-class families and even small and medium shops will benefit. In the 2007-2008 Budget, rates of the first two quarters of this financial year have been waived. According to the policy address, rates for the last quarter will be waived as a further relief. In other words, the general public are required to pay one quarter's rates only in 2007-2008. Apart from the period during the SARS outbreak, this is the biggest relief in rates in the same financial year, costing the Government \$7.8 billion this year.

The Financial Secretary will consult the Legislative Council Members, representatives from all sectors and the general public on the 2008-2009 Budget shortly. As in previous years, we will listen carefully to the views and aspirations of Members, organizations of various sectors and even the general public. When considering various budgetary measures, we will strictly adhere to the principle of prudent financial management, taking into account the overall and long-term interest of Hong Kong and ensuring that people of all strata will benefit from the economic development.

With these remarks, Deputy President, I urge Members to support the original motion.

**DEPUTY PRESIDENT** (in Cantonese): The third debate session ends.

**DEPUTY PRESIDENT** (in Cantonese): We now proceed to the fourth debate session. The policy areas for this debate session are "education, health services and immigration policy".

**DEPUTY PRESIDENT** (in Cantonese): Members who wish to speak will please press the "Request-to-speak" button to indicate their wish.

**MR ANDREW CHENG** (in Cantonese): Deputy President, both my speech and my amendment will be focused on discussing the health care policy.

Actually, the policy address has not introduced any major measures in health care. In the policy address, the Chief Executive has devoted 20 paragraphs to illustrating what he calls "investing for a caring society". He has said a lot that is so nice and pleasant. For example, in paragraph 80, "we should care more about the elderly, especially their health care needs. They have made contributions to our society, and they deserve better services in return..... ", and there are all these talks on "care for the elderly" too. Regrettably, it turns out that there is nothing more than the provision of health care vouchers with a funding of \$150 million in each of the next three years.

While the Chief Executive is paying only lip-service to the elderly, he is generous to entrepreneurs and the top earners, in stark contrast by comparison. In what appears to be just a few lines of casual remark, he has decided to "adopt a prudent approach" by offering a one percentage point reduction in profits tax and the standard rate of salaries tax — two measures that will cost the Government \$5 billion per annum. Besides, these are recurrent revenues. Since it is always more difficult to introduce tax increases than tax reductions, the Government will have less tax revenue thereafter. This is not the end of the story yet. The Chief Executive has left a hint for a further move by saying that consideration would be given to further profits tax concessions in subsequent financial years.

There is more than tax reduction as far as generosity to people with vested interests goes. Subsequent to the release of the policy address, the Government has announced a capital injection of \$6 billion to subsidize the MTR Corporation Limited in developing the Hong Kong West Island Line, a move to subsidize a listed company by using public money.

At a time when the Treasury is "overflowed" with money, the Chief Executive is penny pinching to hundreds of thousands of elderly people. Under this so-called caring policy in the provision of health care vouchers, each elderly citizen will receive five health care vouchers, each with a value of only \$50. Only those who are aged 70 or above will be eligible. What is more, this is only a three-year trial scheme, so this is not a recurrent expenditure.

If we spend the health care vouchers at general clinics, normally the consultation fee for each visit is \$150. If an elderly person uses one voucher on

each visit, he or she would need to top it up with \$100 out of his or her wallet every single time. Besides, private practitioners normally only dispense medication for a couple of days, so insofar as chronic patients are concerned, their only choice is to wait in queues for a visit to a government clinic. So how could it achieve the Chief Executive's stated aim of "reducing the waiting time"?

Deputy President, the Harvard Report pointed out that on average, an elderly person visits the doctor 14 times a year, but Secretary Dr York CHOW believes five health care vouchers a year are enough, on the grounds that statistics on the use of public services indicate that our elderly persons visit the doctor four times a year on average. According to a survey conducted by the Census and Statistics Department(C&SD) in 2004, 42.3% of the elderly surveyed had visited the doctor in the immediate preceding month. And let us not forget that, regarding the definition adopted by the C&SD, the term "elderly" refers to people who are aged 60 or above, whereas the target of the health care voucher scheme are elderly persons aged 70 or above, who are likely to visit the doctor more frequently. Apparently, the proposition that our elderly persons only visit the doctor four times a year is at variance with the actual fact, as indicated by the C&SD statistics.

With the provision of a set of health care vouchers having an aggregate value of \$250, after making one or two visits to private clinics, an elderly person will have to revert to joining the long queues at the public clinics and wait. How could visiting a private practitioner just once or twice achieve the Government's objective of encouraging the elderly to "establish a 'continuum of care' relationship with family doctors"?

Deputy President, I would like to talk about the dental services as well. For many years, the Democratic Party has been demanding the Government to allocate resources to providing dental subsidies and free influenza vaccinations for the elderly. Now the policy address proposes to offer health care vouchers with a value of \$250 to the elderly, and the elderly will have to depend on these vouchers to cover dental services and vaccinations, and so on, and this has reflected a totally unrealistic picture when compared with the actual situations of the people in the real world.

The Democratic Party had commissioned a survey as early as 2001, which was conducted by an elderly service organization, and from it we realized that the elderly had serious oral health problems, and that their oral health conditions

were far below the standards set by the World Health Organization (WHO). According to a territory-wide survey on oral health conducted by the Government in 2002, at the community level, 38 000 elderly persons in the age bracket of 65 to 74 had no tooth at all, whereas 135 000 of them had serious tooth and gum problems. For the elderly persons living in residential care homes for the elderly, 27% of them had no tooth at all. Adding the figures at the community level and in the residential care homes for the elderly, a total of 51 000 elderly persons were completely toothless, and 156 000 of them had poorly deteriorated teeth. The oral health conditions of the elderly in Hong Kong were lagging far behind the target set by the WHO, that by year 2010 no more than 5% of the elderly in the age bracket of 65 to 74 would be completely toothless.

Government dental clinics only help the people to cure toothaches and control infections, including tooth extraction and medication. However, after tooth extraction, these clinics are not responsible for tooth filling and fixture of dentures, and so on. People requiring such services will have to consult private dentists. Very often, the elderly are unable to pay for the expensive fees of private dentists. The government survey revealed that only 23.6% of the elderly surveyed would visit the dentists even if they were suffering from toothache which had affected their sleep.

During all these years, our call for the provision of government subsidies for elderly dental services has received no response whatsoever. At a time when the Treasury is overflowed with money and the Government is willing to forgo \$5 billion annually in recurrent revenue as a result of tax reduction, why is it unwilling to appropriate a one-off lump sum to form an elderly dental fund and offer dental subsidies to the elderly? We are not asking the Government to provide a full denture to all the elderly, but we could at least let those elderly who have no tooth at all or those who have badly deteriorated teeth to have several functional teeth for chewing food, which is only a most basic and humanitarian request. Are development and the economy all that the Chief Executive can see in his eyes? The elderly have made their fair share of contribution to the development of Hong Kong. Is it so difficult to offer some subsidies to them, so that they can have a few usable teeth for eating food? Is it because they have no investment value and no development value?

Deputy President, now I would like to talk about vaccinations for the elderly. We have demanded the Government to provide free vaccinations for

all elderly persons in Hong Kong. From a financial point of view, an influenza vaccination programme only requires a very small amount of funding, merely \$17.55 million.

The WHO has highlighted the fact that influenza is a global threat, and more rigorous measures must be adopted to combat it. It suggests that elderly persons who have reached the statutory age should be given priority in receiving influenza vaccinations, regardless of their individual health conditions. This measure aims at taking care of the elderly as well as preventing influenza from spreading across the community. However, the Government only provides influenza vaccinations to elderly recipients of Comprehensive Social Security Assistance Scheme (CSSA), or elderly persons who are given medical waiver by the Hospital Authority or the Social Welfare Department. The elderly persons in the community have been denied the provision of free influenza vaccinations.

Next, I would like to talk about the provision of half-fee concessions to the elderly using public health care services. This is an issue that we have been discussing for a very long time. I believe there is not much controversy in this Council among all the political parties and groupings on this issue. According to our estimations, offering a half-fee concession to the elderly using public health care service only requires a very small amount of resources, as it will only cost the Government and the Hospital Authority about \$400 million, and we have also reached a consensus on this in the Legislative Council. However, I am sorry; I cannot understand why the Chief Executive should have remained in complete silence on this issue.

The Government refuses to offer half-fee concession to the elderly on the grounds that fee remission or waiver mechanisms are already in place for the needy elderly. However, the procedures for applying for such remissions and waivers are very complicated, which require both the applicant and his or her whole family to undergo means and assets tests. In a society as busy as Hong Kong, it would be very difficult to ask an elderly person's family members to undergo such means and assets tests to be conducted by social workers just for the sake of obtaining some fee remissions or waivers which are worth only tens of dollars. Very often, elderly persons are reluctant to submit such applications, particularly those who are living with their children without getting any financial support from them. They would resort to reducing their already meagre spending rather than asking their children to sign the document commonly known as the "bad son statement" required for the application of fee

remissions or waivers. In the end, since the elderly persons have chosen not to apply for fee remissions or waivers, they can only cut their own spending on other items and use the fruit grant to pay for their medical fees. Or they may choose not to see the doctor by all means, thus causing minor ailments to develop into more serious ones.

(THE PRESIDENT resumed the Chair)

If half-fee concession is offered to all the elderly, even if those needy elderly persons do choose not to apply for fee remissions and waivers, the measure will at least reduce their financial burden. At present, the majority of the elderly are not covered by any form of retirement protection scheme. Some of them live on CSSA payments; but still there are hundreds of thousands of poor elderly who have not applied for CSSA, and it is estimated that some 200 000 of them are living entirely on the fruit grant. Many of them are chronic patients who need to see the doctor on a regular basis. As a common saying goes, "Small sums can add up to a huge amount." They need to visit the doctor frequently and have follow-up consultations on a regular basis. The fee for each visit to accident and emergency (A&E) service is \$100, whereas the fee for each visit to general out-patient clinics is \$45. To those elderly persons who do not have any income and who are not financially well-off, the medical expenses incurred in a year could add up to a fairly large amount of money.

Since 2002, the Hospital Authority has increased its fees several times, and some additional charging items have been introduced as well. It is these elderly people who are most affected. Therefore, Madam President, at a time when the Chief Executive stressed repeatedly in the policy address that we should be giving something back to the elderly, I hope the amendment proposed by me could enable the elderly to enjoy public health care services with half-fee concession. We are duty-bound in asking for more generous subsidies through the health care voucher scheme as well as other concessions, and we have also reached some sort of a consensus in this Council. Furthermore, subsequent to the release of the policy address, the Financial Secretary has also indicated that the budget surplus for the financial year 2007-2008 may reach as much as \$50 billion, which is almost twice as much as the original estimate. Scholars and taxation experts are estimating that the composite surplus may reach as much as \$70 billion to \$80 billion. If the motion we propose today can be passed, it will

only incur an additional expenditure of \$500 million to \$600 million per annum. I hope the Government will think about this very seriously, and be a little nicer to the elderly, who have toiled for several decades now. May the Government do something more for their oral health, health care expenditure and physical well-being, as well as giving them a little bit more respect.

Madam President, I so submit.

**DR DAVID LI:** Madam President, I want to commend the Chief Executive for the bold policy initiatives contained in his policy address. The address laid the foundation for a vibrant economy — a vibrant economy which is able to create jobs on a sustainable, long-term basis.

Among the most important initiatives were those concerned with attracting talent to Hong Kong. The Chief Executive announced that quotas on foreign and mainland students enrolled in our universities would be raised. He announced that foreign and mainland students who graduated from Hong Kong universities would be welcomed to stay here, or return here, to work. He announced a relaxation in the age restriction for the Quality Migrant Admission Scheme. The message is loud and clear: Hong Kong welcomes bright and creative people from throughout the world to make our wonderful city their home.

Great cities succeed by recreating themselves as changes take place in the economic and social environment surrounding them. Hong Kong has been very good at reinventing itself in the past. Today, the challenge is greater than ever. We will not excel by relying solely on our "can-do" spirit. We must be a magnet for the bright and creative people from throughout the world. We need these people — with their ambition, their creative energy and their international and mainland experience — to complete our transformation into a true world city.

We are fast becoming a hub for finance, for management, for professional services and creative ideas. We do not have a monopoly on the skills necessary to provide these services. Individuals with the required skills are free to move where they please. Countries throughout the world are eager to tap their talent and expertise.



At long last, our Government has shown that it is committed to attracting top talent to Hong Kong. I have no doubt that, with the new policies outlined by our Chief Executive, Hong Kong has a very bright future indeed.

The new policies on the admission of talent will benefit everyone in Hong Kong.

Local university students will benefit from a more cosmopolitan and challenging learning environment. They will be better equipped for the real world, and better able to compete internationally.

The local economy will benefit, as Hong Kong develops into an education hub. As the experience of Stanford, Boston and Cambridge has shown, an education hub generates spin-off industries which further boost the local economy.

Local workers will benefit from more sustainable jobs and more job choices. Government handouts cannot create sustainable jobs; only a vibrant, growing economy has that power.

By attracting more of the world's best and brightest to Hong Kong, we will be a more dynamic society, able to generate new opportunities in areas we have never considered before. We will provide a more fulfilling and more satisfying work environment. Our economy will be better able to support higher wages. Government revenue will climb, without raising taxes. Such is the power of the new policy on the admission of talent.

Importantly, the new policy on talent is coupled with the most far-reaching changes to local education policy in decades.

With the benefit of 12 years of free education and small-class teaching, our students will be better prepared for the challenge of competing in the global economy.

Our students will also benefit from the new scholarship programme. They will no longer have to balance family income against a university education. The scholarships will pave the way to a university education for students from all walks of life.

I also welcome the announcement that more sites will be made available for international schools. This will ensure that our ability to attract talent is not held back by a lack of school places.

Unfortunately, the package announced by the Chief Executive contained one glaring omission: the provision of student hostel places.

At present, there is already a shortage of student dormitories. If we are to expand the number of foreign and mainland students, we must also make a commitment to student housing. This will require a significant contribution from the Government.

I very much hope that the Budget address in February will recognize the scale of investment required, and make a meaningful commitment. Otherwise, the new initiative to attract top foreign and mainland students will be but an empty promise.

Madam President, I take great pleasure in endorsing the Chief Executive's ambitious new policies on education and the admission of talent.

To those who would stand in the way of the new policies, I would only say: History is littered with once great cities which failed to change with changing times. We are on the cusp of a new era of prosperity. Let us embrace the future.

Thank you.

**DR KWOK KA-KI** (in Cantonese): Madam President, regarding the reform and development of the health care system, the policy address of this year only focuses on the final health care reform report to be released by the end of the year. However, before the health care reform report can be discussed and implemented in future, in the face of so many health care problems, can we simply rely on this report to have them fully resolved? I think it may not be possible.

Let us take a look again at the issue of health care financing. We all know that its major aim is to identify a long-term contributory system that is reliable, viable and acceptable to the public, with a view to ensuring the

long-term and viable development of the health care financing of Hong Kong. However, we are also aware that the wealth gap between the rich and the poor in Hong Kong has been widening in the past decade. Low-income families now make up 20% of all the families in Hong Kong. Many of these families have great difficulties even in coping with their basic daily expenses, not to mention other kinds of monetary contribution. But what is the level of government commitment in health care services?

The Chief Executive promised, both in this year's policy address and at the time when he assumed office as the Chief Executive for the current term, that the Government's recurrent expenditure on medical and health services would be increased from the present 15%, within five years, to 17% in 2012. That sounds a major progress at first, but in fact, if we examine the past figures of expenditure on medical and health services, we will notice that the figures have gradually been diminishing, from 2.8% of the GDP in 2003-2004 to 2.5% in 2004-2005; and it has kept falling year after year, and the latest figure for 2007-2008 is just 2.1%.

What about the global trend in this respect? Insofar as medical and health services and medical technology are concerned, and taking into account population changes, the governments of most developed countries have increased their expenditure during the past decade, even after the exclusion of personal insurance and savings, and so on. When compared to the figures in the previous decade, from 1995 to 2004, Australia had increased the expenditure from 5.3% of their GDP to 6.2%, and in our neighbouring regions in Asia, Japan has increased it from 5.6% to 6.5%, whereas New Zealand has increased it from 5.6% to 6.5%. In many Northern European countries, including Norway, the figure has increased from 6.7% to 8.1%; in the United Kingdom, the figure has increased from 5.9% to 7.1%. All these figures demonstrate that we cannot set a cap on the level of expenditure for medical and health services. However, according to what the Chief Executive has said, it is tantamount to setting a cap — meaning that this is all that the Government will pay regardless of the actual needs in society.

Can health care financing solve all these problems? Nobody knows. After all, it is uncertain whether the proposal will have the support of the public or the Legislative Council. Front-line medical and health care workers are facing many problems, which have remained unresolved to date. To these front-line medical and health care workers, some of the problems that have been

besetting them include the shortage of manpower and excessive workload. To many front-line doctors and nurses, the problem of excessively long working hours has still not been solved to date.

The Hospital Authority (HA) has made it clear that it would like to reduce the working hours, but it has not made any undertaking on the provision of additional doctors or greater commitment of expenditure in this regard. All it has said is that it would work out some ways to reduce the working hours. However, can it actually work that out? With increasing public aspirations for medical services of better quality, can the HA succeed in reducing the working hours simply by redeploying current resources or readjusting the services? From the responses made by many front-line doctors in the past few months, it does not seem to be feasible at all.

Many patients need to be taken care of, particularly those patients belonging to the disadvantaged groups in society. Who are these disadvantaged patients? Those people involved in the recent case in Tin Shui Wai are good examples. According to a survey conducted by the Department of Health in 2001, there were at least 200 000 patients suffering from severe mental illnesses in Hong Kong, and their family members, amounting to 400 000 persons, have to take care of such patients. In other words, a total of 600 000 people in Hong Kong need immediate assistance, and this includes the patients themselves, and the people who have to take care of them.

However, how much money has been committed to this cause? During the two years between 2003 and 2005, the Government's total expenditure on psychiatric treatment and rehabilitation dropped from \$3.2 billion to \$3.1 billion in 2005. During the past five years, the number of psychiatric patients who have approached the HA for treatment has surged by 45%, and in 2005, the number went up to over 600 000 persons. According to the figures in 2004, there were 25 230 new cases every year. I had looked up the past records and raised a question in the Legislative Council, and was informed that when each psychiatric patient made a follow-up visit to a psychiatric clinic, the time he met with the doctor was about five to 10 minutes. The cost is rather low — so low that it is just slightly higher than the cost incurred at a general out-patient clinic — and it is just about \$260.

Some psychiatric doctors have told us that, if traditional medicines are used, the daily medication cost is \$2. Nowadays, it costs us \$6 for even a copy

of a newspaper, but the medication taken by some psychiatric patients just costs \$2. When we are claiming all along that we have increased the proportion of new medicines or the medicines with less side-effects to 50% or even higher, the corresponding standard adopted by the world or the Mainland has already exceeded 80%.

Hong Kong is an extremely affluent society. Judging from the aggregate reserves of over \$1,000 billion in our various reserve accounts (including foreign exchange reserve and fiscal reserve), we are by no means poor. However, to our many disadvantaged patients, it seems that we have been very mean and unwilling to do anything to help them.

Certainly, the policy address of this year has mentioned health care vouchers for the elderly, which has introduced a new and feasible initiative in the right direction, as it helps engage family doctors at the community level to take care of many patients, particularly the elderly patients. Unfortunately, the mere provision of five vouchers, each valued at \$50, does not offer much help to the elderly at all. The consultation fees of private practitioners generally range from \$120 to \$180, which, to many elderly persons, are huge amounts of money. Even if the Government pays \$50 for them, this amount of money will only account for less than 50% of the consultation fee.

Earlier on, a colleague has mentioned dental services. I wish to refer to a survey on dental services conducted by the Department of Health in 2001. The survey revealed that 35.8% of the elderly persons aged 65 or above had lost all their teeth. We have proposed on many occasions that the Government should, provide some dental service vouchers to them — some measures that can really help the elderly, we hope, so that they can visit the dentist at least once a year and receive some basic dental care. However, from what we are seeing now, if the \$50 is the answer, I believe that could not be achieved at all, and we all know that it is just out of the question — the amount is not even enough for a scaling of one's teeth. Just now, the Secretary undertook to have this reviewed within this year. I hope when the Government conducts the review, it will genuinely take care of the needs of these disadvantaged elderly persons, so that they can have a dental check at least once a year, and that when they need to see a family doctor, the Government can really help them.

Next I would like to discuss how Hong Kong can be developed into a medical city of Asia, which is something that is not mentioned in the policy

address. I had said to the Chief Executive that there had been no progress in the development of private hospitals in Hong Kong during the past decade. With regard to the admission situation of private hospitals, even local people find administration to private hospitals difficult, not to mention overseas visitors or potential clients brought by medical tourism to Hong Kong. Very often, patients have to wait for one to two weeks, but the Government is offering no assistance to these people. For instances, some private hospitals run by religious bodies have requested the Government to allocate land to them for expansion, but there have not been any responses from the Government. I very much hope that the Government would not just pay lip-service to the problem because empty talk alone can never succeed in turning Hong Kong into a medical city or a medical-tourism city.

Finally, I very much hope that the Government can consider once again the proposal we have submitted to the Chief Executive for a Critical Illnesses Fund. It would be most desirable if a special fund can be established to help patients in extreme poverty and provide them with cancer drugs. Many new drugs actually work. Many oncologists think that these drugs are really effective, but unfortunately, they do not have the resources to prescribe these drugs to patients.

I so submit. Thank you, Madam President.

**MS AUDREY EU** (in Cantonese): President, the most pleasant part of the policy address is the section on education, in which many new measures are proposed, and those are measures that the pro-democracy camp and the Civic Party have been advocating all along. In particular, I notice the proposal on implementing small-class teaching, which reminds me of the predecessor of Secretary Michael SUEN, the former Secretary Prof Arthur LI, who always described the pro-democracy camp as "vote-canvassing". According to him, our demand for introducing small-class teaching was nothing more than "vote-canvassing" attempts. That left me baffled really. The former Secretary himself was not elected by the voters. But as Members of the Legislative Council, we are elected by the people, and our aim is to pursue democracy, so we will surely fight for policies and measures that are popular with the people. Why should we fight for policies that do not have public support? How could this be described as "vote-canvassing" then? Therefore, I am very pleased to finally

see that the policy address has mentioned small-class teaching and, in addition, the 12-year free education programme. These two policies were advocated by Mr Alan LEONG while he was campaigning in the Chief Executive Election in March. However, what Mr Alan LEONG advocated at that time was actually a 15-year free education programme.

Although the Civic Party is pleased to see the adoption of these new measures, there are, in our opinion, still a lot of inadequacies. For example, instead of having a 12-year free education programme, we believe we should now aim at adopting a 15-year free education programme, which should include pre-primary education as well. The Government introduced the pre-primary education voucher scheme last year, but it kept arguing with us at that time — whether it was the idea of the former Secretary Prof Arthur LI or whether there were some other reasons is beyond me — that why the Government should facilitate others in making profits. Therefore, the pre-primary education voucher scheme only applies to non-profit-making kindergartens, while profit-making kindergartens are not covered. On this issue, the Legislative Council has actually reached a consensus. All political parties are of the opinion that the Government had taken a wrong stance on this issue. Why should the education vouchers be given to only the so-called non-profit-making kindergartens?

As a matter of fact, all kindergartens are subject to government regulation, so why can independent, privately-run kindergartens not be included in the scheme? This would not make the Government's expenditure increase too much because, according to the explanation given to us by Secretary Michael SUEN last week, the current pre-primary education voucher scheme already covers 90% of all kindergartens, and only 10% of them are not covered. We asked the Secretary about the amount of additional cost involved. By additional cost, it means the net amount required for implementing the education voucher scheme, after deducting the original government subsidies payable to those kindergartens. Taking into account the amount of deduction in this regard, the additional cost for implementing the voucher scheme is merely \$2 billion. Hence, even if the scheme covers the remaining 10% independent, privately-run kindergartens, it would only incur an additional \$220 million. When compared to the record breaking estimated budget surplus of \$50 billion in Hong Kong, this is an amount too insignificant. Therefore, why can the 12-year free education programme not be extended to cover pre-primary education? As far as

short-term measures are concerned, it is hoped that the Government can expeditiously extend the pre-primary education voucher scheme to cover the independent, privately-run kindergartens. Parents will welcome this as well, because independent, privately-run kindergartens may develop in more diversified directions.

Besides, although the Government says that small-class teaching will be implemented next year, that is still too late. The Chief Executive was successfully re-elected for a second term on March 25. Since then, we have been questioning the Government in each and every meeting of the Panel on Education when the Chief Executive would honour his pledge of implementing small-class teaching. All along, the Government has refused to answer our question, and it was not until the official release of the policy address that the Government changed its stance by telling us that small-class teaching would be implemented next year. As a matter of fact, the pro-democracy camp, including the Civic Party, would also hope that small-class teaching can be extended to secondary schools. We asked the Secretary about this last week, but Secretary Michael SUEN argued that small-class teaching should be implemented in primary schools first, saying that it was too early to talk about its extension to secondary schools. In fact, it is not too early at all. As many colleagues have said today, we are already lagging behind many other countries in the region with regard to implementing small-class teaching in primary schools. For example, South Korea, Japan, Singapore and even Shanghai have already implemented small-class teaching, and we are actually late.

Why can small-class teaching be implemented in primary schools but not in secondary schools? In particular, the Government has recently advocated liberal studies and the "3-3-4" academic structure, so it is absolutely necessary for us to implement small-class teaching. The Secretary explained that implementing small-class teaching in secondary schools would incur an expenditure of \$7 billion. This is again a grossly exaggerated figure. Throughout all these years, the amount of funding required for implementing small-class teaching in primary schools has been exaggerated. In the course of the Chief Executive Election, Mr Donald TSANG even said Mr Alan LEONG had made errors in his calculations, and that was because the Government had exaggerated the amount of funding required for the purpose. If small-class teaching is implemented in accordance with the schedule proposed by the pro-democracy camp in a progressive, year-by-year manner, and that is to say, starting at Primary One in the first year, then Primary Two in the second year,



and so on and so forth, until its implementation has progressed to Secondary One and Secondary Two in the secondary schools, as the number of students will dwindle year on year, the amount of funding required will definitely be less than \$7 billion. Besides, from the perspective of the students, they only study in a particular class once in their lifetime. The Government keeps saying that they would run a pilot scheme, and they would launch the scheme only if the pilot scheme has proved to be effective. In doing so, the Government is practically wasting the students' time in receiving education. The Government is actually self-contradictory. Since it has accepted that small-class teaching is preferable, and that small-class teaching will be implemented in primary schools, why is the same not implemented in secondary schools? We are not asking the Government to implement small-class teaching in all classes all in one go — we are only asking the Government to implement it year by year. I very much hope that the Government can accept the view of the pro-democracy camp in extending small-class teaching to secondary schools.

In respect of university education, we certainly welcome the proposal outlined in the policy address for developing Hong Kong into an education hub, and attracting more overseas students to study in Hong Kong by allowing non-local students to take up part-time employment and relaxing the condition of stay upon graduation. This will help broaden the horizons and upgrade the competitiveness of local students. On the other hand, we should not deprive local students of the opportunity of pursuing further studies.

The pro-democracy camp has been talking about this for many years now. During the past 14 years, our university places have remained constant at 14 500. There has been no increase in number and there has been no gradual progress at all. This has been the case for a total of 14 years. The enrolment ratio is less than 18%, which is significantly lower than those of other advanced countries, such as Japan (43%), South Korea (48%), the United States (63%) and the United Kingdom (52%). Therefore, there is no cause for celebration at all. Even if we take into account the dwindling student population, for example, let us say there are 60 000 primary students this year, and that these students will be due for admission to university in 11 or 12 years, the enrolment ratio will only increase to 24% at most, which is still significantly lower than those of the countries mentioned by me just now. The Government has all these talks about transformation and moving towards a knowledge-based society. In this regard, we should definitely increase the number of university places. The Government leaves me with the impression that it is "running faster than it can". While local

students still do not have enough education places, the Government is now even trying to attract overseas students in a bid to develop Hong Kong into an education hub. The Government should get its priorities right and provide sufficient places to local students in the first place.

Furthermore, the associate degree programme is the replica of the "85 000 flats" policy. According to what I have read from newspapers, Secretary Michael SUEN has recently admitted that there are eight major errors regarding the associate degree programme. On the issue of associate degree programme, the Legislative Council has reached a firm consensus, so we wonder why the Government should have insisted on doing things in an executive-led manner. In fact, it would be good if the Government will only deal with issues on which a consensus has been reached in the Legislative Council. The number of associate degree places in 2005-2006 has increased to more than 32 500, but there are only 1 680 converging places in Year 1 and Year 2 combined in the various universities for associate degree graduates, which means the chance of associate degree graduates getting a place in a university is less than 4%.

There is another very major problem still. For students enrolling in formal primary schools, secondary schools or universities, the Government will provide school premises, but this is not the case with associate degree students. On average, in the payments made by each associate degree student, \$12,000 will be used to assist the respective colleges in repaying the Government. Many students are saying that they have yet managed to save money to support their parents or to pay for the mortgages of their own properties, but they have to contribute to the instalments for the school premises nonetheless. Yet after all the instalments have been paid in full, the school premises will finally become the properties of the respective colleges. Meanwhile, as the amount of money is deducted from the tuition fees of the associate degree programmes, this will affect the quality of the programmes. This is in fact a very unfair practice. To ensure the quality of the associate degree programmes, the Government does have the responsibility to help build the school premises for them. They should not deduct the money from the tuition fees paid by the students.

With regard to subsidies available to associate degree students, the amount of subsidies under the Financial Assistance Scheme for Post-secondary Students (FASP) should be raised to the same level as subsidies made under the Tertiary Student Finance Scheme — Publicly-funded Programmes (TSFS), so that associate degree students can also become eligible for low-interest loans. There

is also a firm consensus in society on this issue, and associate degree students have also found this very unfair. Very often, many government measures have the effect of creating division and unfairness. I hope Secretary Michael SUEN can make some appropriate improvement in this regard.

Furthermore, in the area of medical care, President, many colleagues have talked about the issue of health care vouchers, and I do not intend to repeat what they have already said. The Civic Party believes that the so-called three-year trial scheme is more a pilot test for assessing the administrative costs of the health care voucher system than a genuine drive for helping the elderly. The Civic Party hopes that there would be no need for a three year review. If the Government has heard the views of the overwhelming majority, it should increase the net value of each voucher. Only by doing so can the Government "encourage the elderly to make good use of primary medical care services and establish a 'continuum of care' relationship with family doctors", as outlined in the policy address, and encourage the elderly to take care of themselves for prevention of illnesses. A disbursement of \$250 per year can never achieve such an objective.

I would also like to talk about some issues relating to the Drug Formulary. The Civic Party has recently come into contact with some families whose members are suffering from rare diseases such as Mucopolysaccharidoses and Pompe Disease. We have also met with officials from the Hospital Authority (HA), who have taken part in case meetings called by the Complaints Division of the Legislative Council Secretariat for families with patients of such illnesses. According to the information made available to us by these officials, there was a case in which a baby was diagnosed by the doctor as having Pompe Disease in December last year, but until October this year, no medication has been prescribed to the baby. According to the doctor, they are waiting for an expert panel to study whether the drugs are really effective. A number of Members, including Mrs Selina CHOW from the Liberal Party, agreed that it was unacceptable. That was procrastination, and there is no reason that the matter should have been delayed for such a long period of time. Although the cost of medication may be very high for each such case, and we are talking about \$30,000 to \$40,000 a month, which would be an enormous burden for the affected families if they have to bear the costs, for the HA as a whole, such a sum is by no means huge as the number of patients with these diseases is fairly small. I hope consideration can be given to bringing the Drug Formulary closer to the Legal Aid Department's practice which does not impose any cap on the subsidies

to be given, and that such medication will be dispensed once the doctors concerned have diagnosed that such medication must be used, and such resources should not be placed in the financial envelop of the HA.

In the remaining time, I would like to talk about national education. President, I very much agree that we should develop a national perspective and cultivate a heart for the nation, but I believe the best national education is one that allows for more trust and more communication, thus allowing those who are not issued with Home Visit Permits to get their own Home Visit Permits. I believe this is the best national education, instead of creating too many division, labelling or suspecting people to be involved with external forces in staging intervention. I feel that, since our country is so large, the Government should be more tolerant and have the understanding that different people may have different opinions, and that there will be demands on the country to make improvement in human rights, personal freedom and press freedom. This is definitely a good thing.

Thank you, President.

**MR SIN CHUNG-KAI** (in Cantonese): President, I would like to take this opportunity to respond to Mr CHAN Kam-lam's earlier comments on the United States trip Mr Martin LEE and I made.

First, on the issue of whether *The Wall Street Journal* is a conservative force, or whether it is financed by certain conservative forces in the United States, I believe this question should best be answered by Dr David LI, who is a director of *The Wall Street Journal*. Recently, I have learnt from the newspapers that it seemed to have been acquired by Australian media tycoon Rupert MURDOCH. In that case, is it a conservative force of Australia or the United States? But, after all, it seems to be a listed company.

Regarding that report of *Sing Tao Daily*, I regret to say that it had not translated the best part of that article. In that article printed on *The Wall Street Journal*, that is, the article written by Mr Martin LEE, the following sentences had been deliberately omitted by *Sing Tao Daily* — I am not sure whether the omission is deliberate — but anyway, it had omitted the following. President, here I quote, "By applying for the Olympics, we want to promote not just the city's development, but the development of society, including democracy and

human rights,' one of China's key Olympic figures, Deputy Mayor LIU Jingmin, told the *Washington Post* in 2001. Then, Mr LIU said, 'If people have a target like the Olympics to strive for, it will help us establish a more just and harmonious society, a more democratic society, and help integrate China into the world.'" In short, the first person who linked human rights and democracy to the Olympic Games was none other than Mr LIU Jingmin, Deputy Director of the Olympic Games Organizing Committee. The above is what he told the *Washington Post* of the United States.

In fact, on the issue of human rights, the Government of China signed the International Covenant on Civil and Political Rights after applying for the hosting rights of the Olympic Games. But after signing the Covenant, the National People's Congress (NPC) so far has not endorsed it. And in the whole process, the Covenant must be endorsed by each signatory state — that is, endorsed by their respective parliaments or councils — before it can be considered as having completed the full confirmation process. Therefore, when some activists proposed to, on the grounds of human rights, boycott the Beijing Olympic Games, the Democratic Party's response is: Mr LIU Jingmin has also mentioned that the human rights issue is also one of their targets; when they promote the Olympic Games, they also want the entire society to develop in co-ordination with the Games, including the development of the city, democracy and human rights; and when they have a target like organizing the Olympics to strive for, it will facilitate the building up of a more just and harmonious society and a more democratic society. This is what Mr LIU Jingmin told the *Washington Post*.

Against such a background, if some activists of civil rights or human rights wish to express discontent to the Government of China, the best approach is to bring up the human rights issue with the Beijing Government. The Democratic Party hereby reiterates that we support Beijing in applying for the hosting rights of the Olympic Games, and we also support the smooth running and completion of the Olympic Games in Beijing. We oppose boycotting, but we do feel that the international community..... With regard to overseas societies' concern about the human rights issue in China, or the Chinese Government's annual releases of reports criticizing the human rights situation in the United States, both issues have our support. There are no national boundaries on the issue of human rights. Our Chinese Government or the Beijing Government does have the right to raise the human rights issue with the American people, so does the international community. In fact, the Human Rights Committee of the United

Nations has repeatedly criticized the Chinese Government for delaying the endorsement of the International Covenant on Civil and Political Rights.

Let me cite one more example, which involves the passage of a motion with applause from all of us. Last year, Mr Albert HO moved a motion — it should be April of this year — to criticize the Japanese Government and urge it to offer our war victims compensation. At that time, a group of Japanese lawyers came to Hong Kong to join us in drafting the motion. We did study the wordings of the motion together with them. On that day, when the motion was passed, the Japanese lawyers were sitting in the Public Gallery upstairs, and they applauded together with us. At that time, the President warned them not to applaud. Did it mean that we were interfering with the work of the Japanese Government? On such issues, we feel that there are no national boundaries insofar as human rights are concerned. We can supervise each other and we can criticize each other. On such a premise, I hope we can adopt a broader and more open-minded perspective in examining such issues, and let us hope that all the peoples in the world can receive better human rights treatment.

**PRESIDENT** (in Cantonese): I thought you would be saying something relevant to the scope of this session.

**MR TOMMY CHEUNG** (in Cantonese): The Liberal Party agrees that, when the Government is now financially well off, we may duly increase the resources to be devoted to education to implement 12-year free education in public schools, so as to ensure that Hong Kong students would not lag behind others in the knowledge-based global economy.

However, with regard to the authorities' proposal of spending an additional \$2 billion annually on implementing small-class teaching in phases in primary schools in the academic year of 2009-2010, we do have some reservations. Of course, we do not mind making greater investments to improve the quality of students, but we hope that we can have the money's worth in doing so. We learn from overseas experience that small-class teaching is not cost-effective, and very often it would be exploited as some kind of political tools. The reason is, as small-class teaching appears attractive on the surface, so parents would definitely support it without realizing the truth behind it, and then politicians would use small-class teaching to canvass votes from parents.

In fact, small-class teaching is by means a simple issue. It is not as simple as by just reducing the teacher-student ratio, and then the effect of enhancing education can be automatically achieved. Of course, if the number of students is reduced, then it will definitely be desirable for students will be taught by good teachers and the quality of teaching will then be good. But this does not mean that, even with bad teachers, students can still be taught well. Small-class teaching is completely different from the prevailing mode of instruction. Its effectiveness can be fully exploited only if it can function in co-ordination with a new teaching mode as well as the needs of individual students. Therefore, if small-class teaching is really implemented in Hong Kong, teachers must be trained for the purpose, and this is very imperative as well, as we must ensure that there are adequate qualified teachers to implement the initiative. Otherwise, this will just become the pretext to be adopted by some schools with insufficient student intake due to poor management. They will then implement small-class teaching, and with it they can naturally reduce the number of students in a class, so as to escape the fate of closure. If so, it will not help much in improving the quality of students, but it seems we are wasting our money like dumping money down the drain.

Besides, the authorities must also be very careful and examine if the implementation of small-class teaching may affect the overall development of schools. Two problems may emerge in many conventional schools or direct subsidy scheme schools as a result of implementing small-class teaching. The first problem is related to the aspiration of many parents to have their children offered admission into such schools. However, with the implementation of small-class teaching, such schools will have to reduce their student intake, so many parents will be disappointed. They all hope that their children can study in these conventional schools, especially those schools which have been operating successfully. However, such schools may offer admission to fewer students.

In addition, in many conventional schools, in order to attain the ideal of whole person education, they would organize many different extra-curricular activities for students, such as choirs, orchestras, sports activities like field and track events and judo, and even astronomy society, and so on and so forth. There are also some inter-school competitions. If small-class teaching is implemented, the size of each class will be reduced from 40 or 42 to 30. Secretary, this will mean reducing schools of 1 100 to 1 200 students to 800 to

900 students, the reduction could amount to 25% to 30%. With such a drastic drop in the number of students, the schools will find it difficult to organize all sorts of extra-curricular activities, be they sports or music activities. Therefore, in my opinion, if the authorities really implement small-class teaching in primary and secondary schools in future, they should consider whether such schools have adequate space for setting up additional classrooms, so that after the introduction of small-class teaching, these schools can increase the number of classes and the total number of students, especially schools which have been operating successfully.

Besides, the authorities should not implement small-class teaching in an across-the-board manner. Some primary schools which do not have sufficient classrooms or which are highly popular with parents, should decide on their own whether they should implement small-class teaching, so as to let them have the right to make their own choices.

I am rather disappointed with the policy address for not making any mention of pre-primary education. I would like to reiterate that it is very good for the authorities to provide education vouchers for kindergarten education, but this should benefit parents of students of both non-profit-making kindergartens and independent private kindergartens. This is because all parents should have the genuine right to choose their preferred kindergartens for their children.

Earlier on, Ms Audrey EU has mentioned the issue of money in her speech. But, I can still recall that when we held the debate on this motion last year, the former Secretary felt that we did not have any justifications for giving education vouchers to profit-making kindergartens. However, President, this time I can see that the Government will soon be introducing health care vouchers. But, strange enough, such health care vouchers are not exclusively for use in public hospitals. Instead, they can be used in private doctor's clinics, and private dentists. In other words, these vouchers can be used in any medical practices. You are not saying that these doctors are non-profit-making, are you? Of course, the Liberal Party supports health care vouchers and even thinks that the measure should be further extended. Later on, our colleagues will elaborate this further. However, the logic presented last year — the administrative logic — was that the bureau thought that there were no justifications for helping the profit-making kindergartens and providing them with money and the subsidies should only be provided to non-profit-making



kindergartens, yet another Policy Bureau has now put forward another approach, and both these two approaches have all been introduced at the instruction of our Chief Executive — the same Chief Executive.

Therefore, I hope our Secretary for Education can examine the situation: Since health care vouchers can be used to pay for services of some doctors who make a lot of money — even profit-making private doctors are acceptable — I think there are no justifications that such education vouchers cannot be used in independent private kindergartens. In fact, after all, what matters most is not which kindergartens they will choose. The policy is introduced mainly to benefit families with children who need to receive pre-primary education, and give them a choice. Of course, we support that a cap has to be set. We are not advocating that the Government still has to subsidize in full even people opting for those kindergartens requiring the payment of a tuition fee of over \$100,000 a year. Since the value of the vouchers is capped, why should the Government have to be afraid of anything?

In addition, I hope the Government can appreciate that independent private kindergartens in Hong Kong have all along been rather diversified, and many of them offer very high standards of education. However, after the introduction of the education voucher system, if we still maintain the existing system, many parents may refrain from sending their children to such kindergartens as the education vouchers are not applicable to such kindergartens. If the authorities intervene in the market in this manner, they have actually already violated the principle of fair competition, and they are wiping out the room of survival of independent private kindergartens.

Should this be allowed to persist, I even worry that independent private kindergartens may lose their competitiveness and they may tread on the old development path of primary and secondary schools, which have all become non-profit-making subsidized schools, eventually losing the incentive of improving the standards of education. This will cause considerable damage to pre-primary education in Hong Kong.

For all these reasons, I think the Government should accept the Liberal Party's proposal — Ms Audrey EU has also mentioned this earlier on, and in fact this is the consensus of the Legislative Council — on following the principle of

"money follows the student", so that parents of students can freely choose between non-profit-making kindergartens and independent private kindergartens in using the education vouchers, thereby enabling kindergartens to improve their quality by way of comprehensive competition.

President, I so submit.

**MR BERNARD CHAN:** Madam President, the Chief Executive made several proposals in the field of education which I believe deserve our full support. I would like to mention two of them.

The first is the decision to go from a nine-year to 12-year period of free education. This measure is probably long overdue. It will in particular benefit the poorer members of the community directly. It will help them in the short term by easing the burden of school fees on their families. And in the longer term, it will encourage them to complete senior secondary schooling and therefore improve their economic opportunities throughout their lives. I am glad to see that students can choose to take advantage of this in vocational training as well as mainstream schools.

The second is the proposal to increase the admission quotas for overseas students at tertiary institutions and to allow non-local students opportunities to find employment in Hong Kong. This subject has always proved controversial in the past, and I hope the Administration will be forceful in explaining why it is good for Hong Kong to have more overseas students.

It is true that overseas students can increase competition for university places, but I think we should put this in perspective. We do not see foreign universities turning Hong Kong students away because of that. We must remember that overseas students will largely be self-financing, and they will bring more resources into our colleges.

I realize there are also concerns about things like the availability of dorm rooms. This is a valid concern. But our university administrators and government education officials have solved much bigger problems in the past. At the end of the day, if we need some more dorms, I am sure we can find ways to build them.

The fact is that having more overseas students in Hong Kong will bring benefits to everyone involved. More exposure to students from overseas will be very positive for their local classmates. It will make our classes more cosmopolitan, and give our local young people the chance to forge relationships with mainland and foreign students. It will also give students from overseas a chance to live in, and hopefully have a lifelong special relationship with, Hong Kong. I was an overseas student myself, and I could go on for a long time about the benefits for everyone of a cosmopolitan college experience. And in fact, back in the 60s, many of the overseas Chinese families living in Thailand and other Asian countries sent their children to Hong Kong to study. Today, many of them still retain friendship and business relationship with their Hong Kong connection, and many of them still speak Cantonese.

If some of the overseas students put down their roots here and contribute to our city, that will also help us all in the long term. This is a far-sighted policy proposal, and I believe it should be welcomed.

Madam President, on the subject of health care financing, I guess the only positive news is that the Administration is committed to announcing their plan within the next two months. This consultation process has been long overdue and I am afraid we may need to bite the bullet and address this issue with our community soon. It will be controversial and divisive. And it is never easy to ask taxpayers and non-taxpayers to contribute more, when our Government is sitting on this huge reserve. But we must understand that the issue we are dealing with is for a very long term. Ageing population and low birth rate is the fact, and we must start planning how to pay for the cost now. Thank you.

**DR YEUNG SUM** (in Cantonese): Madam President, I wish to comment mainly on the section relating to education in the policy address.

Madam President, Hong Kong is moving towards a knowledge-based society and parents' expectation of education is no longer confined to the opportunity to receive education alone. They attach even greater importance to the quality of education. The policy address also pointed out clearly that there is a decline in the quality of the population in Hong Kong. To enhancing the quality of our population, education is the key. Therefore, the eventual announcement in the policy address that small-class teaching will be implemented from 2009-2010 onwards is a shot in the arm for the education

sector. Schools can implement small-class teaching according to their wishes. Even if schools choose not to implement small-class teaching for the time being, they still have to limit the number of students per class. By 2014-2015, small-class teaching will be extended to Primary Six. We must understand that the education sector has been longing for small-class teaching for a long time and it believes that in order to improve the quality of education in Hong Kong, such a policy is indispensable.

On assuming office, the Secretary has taken some sweeping measures and agreed to the demands of various political parties and groupings in the Legislative Council. We affirm such a move. Since 1991, that is, when Mr CHEUNG Man-kwong and I began to serve in the Legislative Council, we began to advocate small-class teaching. Since the Education and Manpower Bureau changed the number of bands into which students are classified from five to three, there are indeed great differences in the learning ability of students in each class. Coupled with the decline in population, the implementation of small-class teaching can indeed adapt to the trend of a falling birth rate and answer the demand to raise the quality of education. Now that the financial situation of the Government is favourable, it is indeed a cause for celebration to see such a demand being transformed into a policy.

Madam President, unfortunately, the policy address only proposes the implementation of small-class teaching in primary schools for the time being, whereas no definite time has been set for the implementation of small-class teaching in secondary schools. The Government maintains that the implementation of a "3-3-4" academic structure has already imposed a burden on the education sector. In order to reduce the pressure on teachers, small-class teaching will not be implemented in secondary schools. However, if the Government wishes to raise the overall quality of education, it must implement small-class teaching in secondary schools at the same time. The methods of implementing small-class teaching can be diverse and there is no need to stick to the same approach all the time. The Democratic Party has never requested the Government to mandate that all schools implement this across the board either. Therefore, regarding the concern of Mr Tommy CHEUNG about well-known schools or traditional schools, they can in fact follow the flexible policy of the Government and decide on their own whether or not to implement this. We also propose that the Government implement this measure on a district basis. It would be highly desirable if it can deal with the situation flexibly.

However, with regard to secondary schools, can the Secretary consider reducing the number of students enrolled in Secondary One by two students each year, so that the class size can decrease from the original 38 students to 26 students? Six years later, this arrangement will dovetail with the graduation of the first batch of primary school students taught in small classes, who will by then go on to Secondary One. Moreover, this move will also be conducive to the implementation of the "3-3-4" academic system. The Secretary must not forget that with the implementation of the "3-3-4" academic system, the choice of a number of subjects will be available and a number of general education subjects will also be introduced, therefore, if students have to work on projects, it will be very difficult to do so if a large group of students is involved. In view of this, I call on the Secretary to take note of this and implement small-class teaching in secondary schools. In fact, this is favourable to enhancing the quality of the "3-3-4" academic system. The Democratic Party requests that small-class teaching be implemented in primary schools and secondary schools concurrently and that a timetable on the implementation of small-class teaching in secondary schools be proposed as soon as possible.

As regards the proposal in the policy address to extend the present nine-year free education to senior secondary schools so that 12-year free education will be offered, compared with places like Macao and Zhuhai, the pace of formal education in Hong Kong is already lagging behind other places. Fortunately, the Government has resolutely decided to implement 12-year free education by seizing the opportunity offered by full coffers so that opportunities in senior secondary education can be provided to young people in Hong Kong. It is also a cause for celebration that funding has been provided to early childhood education in the form of the voucher scheme, so that the scope of funding for education has been extended to pre-primary education. According to government information, 90% of the pupils have already received funding in the form of vouchers. However, the Government has restricted the use of vouchers, which is designed to subsidize early childhood education, to funding non-profit-making kindergartens only. As a result, pupils studying in private or independent kindergartens cannot receive any subsidy in the form of vouchers. Why can the Government not provide subsidy in the form of vouchers to all pupils equitably? Since it stresses competition in the market and the choices of parents, why is this choice not given to some of the parents? In fact, the Government should treat all kindergarten pupils equitably by providing to all of them subsidy in the form of vouchers, so as to further enhance the quality of young people.

In addition, one area which I am rather disappointed with is the inability of the Government so far in proposing specific solutions to the problem of a bottleneck relating to associate degree programmes, particularly in respect of the quality assurance for sub-degree programmes. This makes me very concerned about the adverse effect on the recognition of associate degree holders by society due to the lack of guarantee on the quality of such programmes. This will in turn affect the academic and employment opportunities of sub-degrees holders.

At present, 60% of all students will pursue further studies in community colleges in quest of associate degrees. However, the financial assistance they receive from the Government is far less than that given to university students. Upon graduation, not only are their academic qualifications not recognized by society, they even have to shoulder fairly heavy debts. May I ask the Government why it cannot actively help this group of young people? In view of this, we believe that the Government should provide more channels of further studies to graduates of sub-degree programmes who can prove that their academic results are outstanding. I am not saying that they should all be allowed to go to university. I am only saying that students with good academic results should have the opportunity to go to university.

On the pursuit of further studies, each year, over 30 000 students are enrolled in associate degree programmes, however, only some 1 000 places are provided to students with good academic results that qualify them for admission into universities. It can be seen that despite one's good academic results, the channels for pursuing further studies in universities still cannot satisfy the demand. As a result, this group of young people meets a great deal of frustration. In view of this, I request that the Government gradually increase the number of university places to tie in with the development of knowledge-based economy.

Madam President, I am very concerned about education for non-Chinese speaking students whose native languages are not Chinese. However, so far, the Government has not proposed any solution. In particular, their standard of Chinese is lower than that of local students, but since they were born in Hong Kong and are regarded as Hong Kong residents, they have to sit the same public examinations on Chinese. This seriously affects their opportunities of going to university. I teach in a university, however, I have seldom seen the enrolment of any South Asian students with less financial means into the University of Hong Kong. Those South Asian students who can go to university are all rich

ones. They go to international schools and come back after studying abroad. Basically, they do not have to study Chinese and most of them learn French or German as their second language. As long as their academic performance in other areas is satisfactory, they can then be enrolled in the University of Hong Kong.

However, South Asian students from low-income families can perhaps only live in poor families generation after generation and can only work as watchmen or manual jobs. If we look at this from the viewpoint of racial equality, this is a great irony for Hong Kong. We have neglected them for a long time and I hope that after listening to my comments, universities will power ahead and provide equal opportunities to these people by designing programmes particularly suited to them, so that they can be enrolled in university by means of such programmes and racial discrimination against them can be avoided. Racial discrimination is in fact a very serious allegation. I hope that the Secretary can make greater efforts in this regard, just as he did in implementing small-class teaching.

I personally strongly support turning Hong Kong into a regional education hub. According to my experience of teaching in university, if there are overseas students, not only can these overseas students understand Hong Kong and China, they will also bring great merits to local students. However, I am very concerned about the issue of matching facilities. At present, the libraries and hostels already cannot meet the demand. If the Government increases the proportion of non-local students from 10% to 20%, I hope the Government can also increase resources by building additional university libraries and hostel places because at present, local students are already dissatisfied with the universities' measure to earmark hostel places for overseas students. I do not wish to see an aggravation of the division among students due to the Government's plan to increase the number of overseas students.

Finally, Madam President, I am also very concerned about national education, however, good national education lies in the SAR Government and Central Government being able to adopt an open and pluralistic approach towards people holding different political views. I believe this is the single key to promoting national education.

Thank you, Madam President.

**DR JOSEPH LEE** (in Cantonese): Madam President, this is the last time during my term of office I debate the policy address. Over the past three years, I have focused my attention on Hong Kong's overall health policy in the hope of turning our therapeutic health care services into a policy focusing on health promotion. Apart from conveying to the public the message that being healthy means more than having no illnesses, I have also sought to arouse public concern about physical, mental, social and spiritual health to achieve holistic health so as to turn Hong Kong into a truly healthy city. With the passage of three years, has the Government turned Hong Kong into a healthy city?

One of the highlights in this year's policy address is to "promote economic development through infrastructure projects" for the purpose of promoting various social developments in tandem. Indeed, Hong Kong's prosperity hinges on its economic development. But how can people not in good health condition provide the territory with a quality labour force? How can our productivity be raised? And how can the territory achieve sustainable development? This explains why economic development and personal health are equally important.

During the Chief Executive's Question and Answer Session on last year's policy address, I proposed that the concept of early childhood education vouchers be applied to primary health care for the elderly whereby elderly persons aged over 65 may receive financial assistance in the form of health care vouchers to acquire basic dental and eye health care services.

I am pleased that the Government heeds advice and the elderly people's aspirations this year by launching the health care vouchers scheme. The significance behind the scheme is enormous:

Firstly, the scheme represents a change in the mode of financial assistance. In the past, service providers were offered the money, whereas service users, that is, the elderly, could only enjoy services in a passive manner. Under the present arrangement, financial assistance will be given to the elderly direct so that they can choose the services according to their needs. This will not only achieve greater flexibility, but also manifest the spirit of autonomy for the elderly, and enable the pilot scheme of allowing "money to follow the elderly" to be put into implementation.

Secondly, the scheme represents a change in health concept, for the elderly can undergo health checks or buy other services under the scheme. In the past,



the Government merely paid attention to medical treatment while neglecting the importance of prevention. As a result, the services provided in the past were primarily for therapeutic purposes. Less attention was given to health promotion. Of course, the elderly know it very well that prevention is more important than cure. However, there is a severe lack of inexpensive health checks or similar primary health services in the community, a serious shortage of places offered by the elderly health centres operated by the Government, and a scarcity of dental and eye health care services. The vouchers can now be used for services provided by allied health professionals and dental practitioners, as well as for preventive services such as medical examination or vaccination, thus encouraging the elderly to make more preventive effort. Even in the event of deterioration of physical functions due to old age, the elderly can still keep themselves in good shape with the help of health care vouchers.

Under the scheme, the elderly may more freely choose from wide-ranging health care services available in their own community. At the same time, they are encouraged to foster a long-term relationship with family doctors for a "continuum of care", better attention to the importance of prevention, and enhanced awareness of health protection.

As our primary health care culture has always focused on cure at the expense of health promotion, I hope the health care vouchers scheme can enable the elderly and their family members to fully understand that primary health care services can, apart from giving patients proper treatment, provide them with preventive services, and even education on health promotion and counselling services. At the same time, through the experience gained from the scheme, the Government can go further to expedite the implementation of community-oriented primary health care services.

Of course, different voices can be heard regarding the content and specific administrative arrangements of the scheme, such as why the eligibility age is not set at 65, or the amount of the financial assistance should be raised. I hope the Government can take its first step through this scheme by introducing clear provisions and minimizing unnecessary administrative procedures to expedite the implementation of the scheme for use by the elderly. Of course, we also hope the Government can expeditiously review the feasibility of the scheme and possible allocation of additional resources to enable the scheme to benefit elderly persons aged 65 or above, as in the case of the granting of "fruit grant". Upon the completion of the review, if it is considered necessary to raise the amount of financial assistance, the Government should act correspondingly.

One of the proposals raised in the policy address which has caused public concern is the introduction of family-doctor based consultation in general out-patient clinics in the public sector. The Government has proposed to implement in North Tin Shui Wai a trial scheme to procure primary health care services from the private sector as a pilot scheme to explore the feasibility of public-private-partnership. This proposal is generally welcomed by various quarters of the community (particularly Tin Shui Wai residents). I am very pleased to see the active effort made by the Government in trying it as a pilot scheme, as it complements the conceptual scheme of allowing "money to follow the patients". It is also evident that the Government is determined to test run the scheme. The scheme has the merit that private practitioners providing good services will be rewarded by market force. This will in turn reduce people's reliance on public services. Should the relevant scheme be able to proceed smoothly, the Government should shorten the trial period and put the scheme into implementation alongside other health care services. Of course, the scheme should not be confined to North Tin Shui Wai; it should also be extended to other districts for trials. This will not only break the boundary between the markets in the public and private sectors, but also enable resources to be suitably utilized as users are offered more options.

Madam President, community-based family medicine has also been mentioned in previous policy addresses. Primary health care services embrace family medicine in addition to a key role played by community hygiene teams. Under the concept of family medicine, community-based health care services should embrace the participation of family doctors as well as other health service professionals. It is evidently far from enough if only the training of family doctors is emphasized in the promotion of family medicine. To enable all citizens in Hong Kong to truly benefit from community-based health care services, health care personnel and allied health care professionals must jointly participate in instilling knowledge of and offering assistance in health promotion or education in the community before the concept of family medicine can be fully developed.

Nonetheless, it is a great pity that, except for a general account of allocation of resources for the training of family doctors, we have not seen in this year's policy address any general account by the Government on how the training of health care professionals, such as nurses, pharmacists, therapists and dieticians, can complement the development of family medicine, not to mention the allocation of more resources for the training of relevant professionals.

Under such circumstances, I would seriously doubt if enhancing the training of family doctors can really achieve the objective of having family doctors serving the communities in the long run. The Government should develop both community and family health care teams to promote healthy living messages and not confine family doctors to their therapeutic role. At the same time, it should enhance public awareness of personal and public health before the concept of family medicine can be reinforced fully.

Madam President, the mother involved in a family tragedy recently occurred in Tin Shui Wai has been confirmed to have psychiatric disorder record and has sought consultation at a mental hospital in the New Territories. In the many domestic violence incidents occurred during the past year, a considerable number of the abusers who were emotionally or mentally disturbed had not received proper therapy, thus ultimately resulting in the occurrence of catastrophic tragedies. The occurrence of a considerable number of family tragedies is indeed attributed to the fact that most emotionally or mentally disturbed people neglect the severity of their conditions, not to mention taking the initiative to seek assistance. As a result, they cannot seek consultation promptly, ultimately resulting in the occurrence of a considerable number of family tragedies. It is thus evident that personal mental health has a direct impact on the harmony of families, communities and even society as a whole.

In the concept of health prevention, early intervention is extremely important, and it is also a cost-effective solution. It is imperative to strengthen community mental health support and outreaching services to enhance public awareness of mental health and advocate the need to address mental health problems promptly. At present, besides community mental health support and outreaching service schemes, community psychiatric nursing service is also provided by the HA to help ex-mental patients adapt to their life after re-entering the community through family visits made by community psychiatric nurses and outreaching services. However, community support for ex-mental patients is inadequate because of the serious shortage of psychiatric nurses at present and inadequate provision of services to meet the demand. For instance, only 24 psychiatric nurses are now serving the whole New Territories East, or the scene of the Tin Shui Wai tragedy. This means that the nurses have to attend to some 25 000 mental patients per annum. Under such circumstances, how can they follow up, in a comprehensive manner, every mental patient in need to prevent the occurrence of similar tragedies? It is precisely for this reason that family tragedies have occurred again and again.

To further perfect the community mental health service, the Government must cope with the need of society by injecting more resources to strengthen the training and recruitment of community psychiatric nurses and expand their role and functions. For instance, at present, community psychiatric nurses cannot refer patients in the community direct to doctors, for the referrals must be made by social workers. If the legislation on mental health can be revised promptly to expand the functions of community psychiatric nurses, the latter can then refer patients to hospitals to receive therapy by medical practitioners when certain patients are identified in their assessment to have such need, thus preventing the occurrence of many unnecessary tragedies. I hope the Government can expeditiously make suitable amendments to the law to prevent psychiatric nurses from failing to perform their role fully due to legislative constraint. If this can be achieved, we believe many psychiatric patients in the community can be treated, and no tragedy will occur because of delayed treatment. I believe only through co-operation among medical practitioners, social workers, nurses and various health care professionals can we effectively help patients in need and their families and avoid the recurrence of incidents similar to those occurred in Tin Shui Wai.

Madam President, even though three years have passed, Hong Kong is still far from being able to meet the requirements of a standard healthy city — what does it take to be a healthy city? If Members are interested, they may browse a webpage about Tseung Kwan O in which 10 unique features of a healthy city are listed. After browsing the webpage, Members will find out how many of the 10 requirements listed have been met by Hong Kong. Despite that Hong Kong is still far from meeting all the standards of a healthy city, I see that the Government has ceased to place emphasis on treatment of illnesses. Furthermore, it has taken a big step forward for it has started to pay attention to the importance of health promotion and promote a culture of healthy living in different domains. I hope, through the implementation of the community-oriented primary health care service policy, the Government can convey the message of addressing personal health to every family and community to enable Hong Kong to become a healthy city expeditiously.

Madam President, I so submit.

**MR CHEUNG MAN-KWONG** (in Cantonese): President, education is the emphasis of this policy address. The biggest breakthrough in education,

small-class teaching, is introduced, realizing an aspiration the education sector has been striving for for a decade and an electoral promise made by Donald TSANG. The implementation of small-class teaching will enhance the quality of education and restore morale in school, which will have a more far-reaching impact than the provision of 12-year free education. It is a benevolent policy in education.

Last year, the voucher scheme for kindergartens was implemented, adding the 12-year free education introduced this year, the provision of subsidized and free education in Hong Kong has been extended to 15 years. Though we have started late, we are catching up fast, for this arrangement will be implemented a year earlier than the 15-year free education proposal to be introduced in Macao. This measure will be welcomed by society. Actually, the extension of free education to the final year of secondary education will only cost the Government an extra \$1.2 billion per annum approximately, which is an education investment that can generate high profit with small capital. However, parents' aspiration for education focuses not only on free education, but also quality education. Apart from welcoming the provision of free education, the education sector should also care about the implementation of the new senior secondary academic structure.

Secondary education will have to undergo three major reforms in the future. First, it is the curriculum reform, and the addition of the subject Liberal Studies is the most obvious change. Second, it is the reform of the academic structure. Secondary education will be shortened from seven years to six years, with three years of junior and three years of senior secondary education, to be followed by four years of university education. Third, it is the examination reform which will bring about the merging of the Hong Kong Certificate of Education Examination (HKCEE) and the Hong Kong Advanced Level Examination (HKALE), and the introduction of school-based assessment.

These three major reforms will be carried out concurrently, so the difficulties to be encountered definitely should not be underestimated. In the year 2012, two cohorts of students graduating from Form Six and Form Seven respectively and studying two different sets of curriculum will become qualified via two different examinations and will be studying in universities at the same time. Just imagine how chaotic it will be? Both secondary schools and universities will be facing a tough task in handling teaching manpower, school facilities and administrative work. As devils are in the details, success or failure hinges on these factors. Particularly will the newly introduced Hong

Kong Diploma of Secondary Education (HKDSE) Examination under the six-year academic structure be endorsed by the local and international communities? Will school-based assessment be carried out in a fair manner and be accepted by parents? As for the two cohorts of students who fail to get a place in universities, will they face more difficulties in seeking employment and thus feel aggrieved? All these are unknown, so we definitely cannot treat these issues lightly.

Former officials in charge of education reported only the good news and not the bad of the "3-3-4" academic reform. With regard to senior secondary education, we are now carried away by the introduction of the 12-year free education, overlooking the problems beset. When we indulge ourselves in applause, we may easily make mistakes, for we will lose sight of the risks posed by the "3-3-4" academic reform. I thus request that at the early stage of the "3-3-4" academic reform, secondary schools should restore the morale of their staff, and for this reason, everything must go modestly with the smooth transition to "3-3-4" academic structure as the primary goal.

What do I mean by restoring staff morale? I mean that we have to learn a lesson from the painful experience of the education reform and call a halt to the reduction of classes and culling of schools. The problem of declining student population has now spreaded from primary schools to secondary schools. Despite the increase of new arrivals, the number of Secondary One students will drop from 80 000 to nearly 50 000 in the next six years. The Government should seize this opportunity arising from a declining population to introduce small-class teaching in secondary schools gradually, for this will avert a class-reduction and school-culling scare which may eventually undermine the stability of the "3-3-4" academic reform and bring about a "lose-lose" situation.

Now, the population of primary students has levelled off, and after the school year in which a drop in students was resulted from SARS, the student population will become more stable. Therefore, small-class teaching, following the policy of a class size of 25, can be introduced in districts where conditions allow. However, as the population of secondary students has just plunged from 80 000, so to proceed to the mode of small-class teaching — please listen carefully, I say proceeding to the mode of small-class teaching — the Government only needs to reduce the class size by two students per class each year on average, and further reduction can be made when necessary, to cope with the drastic drop in population during specific years. Six years later, on

Secondary One admission, the class size will be reduced from 38 students to 26 students, thus dovetailing with the first cohort of primary students completing small-class primary education with a class size of 25 in 2014. This is the reverse-pyramid approach for achieving small-class teaching in secondary schools, where the policy is implemented in a pragmatic manner in the light of the decrease in population. Without costing \$7 billion, the approach can restore the morale of the staff of secondary schools, bring the merit of small-class teaching into play progressively and help the implementation of the "3-3-4" academic reform, achieving a number of purposes in just one stroke.

With regard to the modest approach, I mean that apart from the "3-3-4" academic reform, all duplicate and labourious tasks which are ineffective, as well as all unnecessary disagreement and disputes resulting in internal attrition, should be eliminated, so that teachers may dedicate their efforts to teaching and moral education. A simple example is the school self-evaluation (SSE) and external school reviews (ESR). Having gone through all kinds of hardships, exhausting all the manpower and resources, and seeing schools fallen flat, the first round of evaluation has now been completed after all. With regard to the results of the SSE and ESR, the strengths identified should be amplified while the inadequacies rectified. However, when schools have not yet digested the results of the evaluation and the project of promoting excellence and righting the wrong has not yet been put into practice, the Government has rushed into launching the second round of SSE and ESR. Such an attempt will only stir up a hornet's nest at schools. It simply aims to collect comprehensive figures for the Education Bureau and even to draw praises from overseas experts. This is a manifestation of ossified bureaucracy, the most senseless act showing sheer stupidity. This will eventually toil teachers to the bone, destroying the "3-3-4" academic structure *de facto*. It is the height of folly.

School-based assessment (SBA) is another example of controversy. This new assessment method of the new senior academic structure introduced under the "3-3-4" academic reform will directly affect the chances of a student entering a university. So, how can parents not care about it, how can they not prepare carefully for the challenge? However, whether this examination, in replacement of the HKCEE and the HKALE, will be recognized by the local and international communities is still subject to trial. Among other issues, the SBA on the subjects of Chinese and English Languages and Liberal Studies, which account for a weighting of 15% and 20% respectively, has aroused the greatest controversy. In the past, secondary schools were required to carry out SBAs on

academic subjects and science subjects. However, at this point, when the success or failure of the reform is still unknown, is it advisable to expand the scope of assessment to the compulsory subjects of Chinese and English Languages and Liberal Studies? Teachers have worked with all their might to adjust the marks according to the 15% to 20% weightings. However, owing to the keen competition for university places, the assessment will come under criticisms for adopting inconsistent assessment criteria and creating assessment discrepancies. There will also be worries that students may ghost-write and cheat, and even plagiarize from the Internet. There is also a chance that parents may lodge complaints all the way through the four-tier framework from schools to the Hong Kong Examinations and Assessment Authority, the Ombudsman and the Independent Commission Against Corruption accordingly. Is it worth the while? Should all these measures be introduced concurrently with the reform in the same year, the most troublesome year?

These three major assessments, SSE, ESR and SBA, are intertwined with the "3-3-4" academic reform. Is this an internal attrition or a modest approach? Is the Government pushing through it or progressing gradually? Will it result in a win-win situation or a lose-lose situation? The Government must make the decision with regard to the overall situation. It should attach the utmost importance to smooth transition and avoid hitting its own feet with a piece of rock, or even getting caught in a quagmire of its own making.

President, the policy on associate degrees and the remuneration system for kindergarten teachers (KG teachers) are topics of immense significance to the education sector. But the policy address is silent on these topics. It is disappointing.

This policy on associate degrees was invented by TUNG Chee-hwa. He was the one who proposed that 60% of the young people in Hong Kong should study in university. The former officials of the Education and Manpower Bureau, Arthur LI and Mrs Fanny LAW, worked on quantity but not quality, as a result, a super bubble in education was created. The former vice-president of Lingnan University, CHEN Kwan-yiu, said that the introduction of associate degree was the worst education policy in the past decade. CHEN Kwan-yiu told the truth, but it is a pity that he only said so when he left office. As a result, all his remarks were rebutted and criticized by Arthur LI. Let us hear the warning from the Executive Director of the Hong Kong Council for



Academic Accreditation, Peter CHEUNG. He said that the competition in associate degrees, which relies solely on the market mechanism, was in crisis, for institutions were only concerned about their own interest. The consideration of the ease of getting a degree had become a means to compete with other institutions for students. They did not bother about the accreditation of associate degrees and turn a blind eye to the fact that students were earning a degree without receiving education. The community and even members of the establishment are in one voice. How can the Government not set aside its pride and encumbrances to right the wrong?

Irrational market competition is the fatal blow to associate degrees. As places are oversupplied, institutions go all-out to attract students in the struggle for survival. Certain institutions, for the sake of making profits, even resort to admitting form five graduates failing in Chinese Language and English Language. I even wonder whether the information submitted by these institutions to the Government is true. These students will not be able to further their studies after completing these courses, and they can hardly find employment. Some institutions may open foundation courses and even pre-foundation courses for these associate degrees. Other institutions lavish hundreds of millions of dollars on advertising, and offer gifts and free courses. But the fleece comes off the sheep's back anyway; the costs incurred are indeed paid from the course fees. It is most unfair that institutions, which have borrowed money from the Government for the construction of teaching complexes, are deducting \$12,000 per annum from fees paid by students to repay the instalments. Just imagine, students of associate degree programmes have to take out loans at high interest rate to cover the \$50,000 tuition fees per annum, but part of the money they paid are deducted by institutions to foot the bill for advertising and free gifts. These institutions are taking every opportunity to make money. As they still have to submit certain share of the fees received to universities, how much will be left to spend on teaching? When the unit cost for the education of an associate degree student is as low as \$30,000, much lower than that of a Form Six student, and not even on a par with a secondary student, what quality of education can we expect? These graduates holding a substandard degree are now oversupplied, not even the Government is willing to employ them. If so, how can they gain the recognition of the business sector and society? These students have fallen victim to this wrong policy, but who will redress their grievances and do them justice?

The lifeline of associate degree programmes lies in the quality of the courses provided. However, the quality assurance, qualification positioning

and accreditation mechanism of associate degree programmes are on the brink of collapse. To defuse this crisis of associate degrees, the Government should first freeze the places of associate degrees. It should step up its regulation of the quality of these courses, grant exemption for school-construction loans, provide subsidy and low interest loans to associate degree graduates, assist them in advancing to local degree programmes and provide eligible students with study and employment opportunities. The Government should defuse this time bomb in education from five aspects, namely the positioning and quality of courses, provision of assistance, and opportunities for pursuing further studies and employment. At this time when the Government intends to develop Hong Kong into a regional education hub and embrace more non-local students, 30 000 associate degree holders are left to fend for themselves each year. Definitely, this is a time bomb hidden deep in society.

This year, the Government has introduced the voucher scheme for kindergarten education, but at the same time, the remuneration mechanism for KG teachers was abolished. Owing to a sudden increase in the number KG teachers taking up further studies, the remuneration of KG teachers will remain relatively stable in the short term. But another problem has emerged, that is, the remuneration of KG teachers fails to reflect their different qualifications, or even the possession of higher qualifications, which is a hindrance to the development of the early childhood education profession. The early childhood education sector still insists that a pay scale, which can reflect the diploma and degree qualifications acquired by KG teachers, should be drawn up, and that the subsidy provided under the kindergarten voucher scheme should be applicable across the board to benefit all parents. When the voucher scheme is applicable universally to all students, the full subsidization of early childhood education will become possible and the provision of 15-year free education will be realized.

However, before that, the Government should act proactively and take the lead to encourage KG teachers to go up the path of "Diploma — platform for attaining degree qualification". At present, more than 50% of the KG teachers are diploma holders, with 20% of them being principals and KG teachers with degree qualification. They are the staunch force promoting quality early childhood education and the pillar of kindergartens, which are indispensable. The voucher scheme introduced by the Government has reduced the tuition fees paid by parents and subsidized KG teachers in pursuing further studies, but it gives no guarantee of reasonable remuneration and recognition to KG teachers who have acquired diploma and degree qualifications after completion of studies.

This is the crux of the problem. I propose that the Education Bureau should follow the approach adopted in the past in encouraging KG teachers to further their studies. It should increase voucher subsidies in future and earmark part of the subsidy for the provision of a qualification incentive for KG teachers with diploma and degree qualifications, a la the mode adopted by Macao, with a view to encouraging KG teachers to pursue further studies and showing them the prospect of their profession.

Before the publication of the policy address, civil servants and staff of subvented organizations were given a pay rise. It is not the scarcity of resources but the uneven distribution of it that was aroused extreme dissatisfaction in the education sector. A wave of demonstrations was sparked off and there is no sign of it subsiding. Among them are 8 000-odd young teachers joining the sector after 2000 who are fighting for a pay rise on the basis of the length of service. However, their reasonable request for equal pay for work of equal value has so far been greeted with scorn. Though it is proposed in the policy agenda that the ratio of graduate teacher posts in secondary and primary schools will be increased to 85% and 50% respectively, the ratio of teachers with degree or above qualification has already reached 70% in primary schools and 95% in secondary schools. The increase in posts proposed by the Government still fails to cope with the actual demand of teachers, for 20% of the primary school teachers and 10% of the secondary school teachers with degree qualification are not yet able to transfer to graduate teacher posts. The Government should have a comprehensive plan to let all certificated masters with degree or above qualifications to be transferred to graduate master posts expeditiously, rectifying the anomalous phenomenon of prolonged suppression of teachers' qualification, realizing the aspiration for equal pay for equal rank. President, I also take this opportunity to welcome the proposal of the Education Bureau to create a new deputy head rank in primary schools and I hope that the Government will implement the proposal as soon as possible to give recognition to the work and status of deputy heads.

President, in the policy address, the advice given by State President HU Jintao requesting Hong Kong to put more emphasis on national education for the youth in Hong Kong is quoted. However, as these words still rang in our ears, Donald TSANG became a laughing stock of the international community, thanks to his comments on the relationship between the Cultural Revolution and democracy. Though he has withdrawn his remark and made apologies, it is

downright embarrassing. Donald TSANG's limited knowledge of history was laid bare, revealing that national education is very insufficient and inadequate in Hong Kong. Both the Government and the education sector should endeavour to catch up.

National education can be interpreted as patriotic education in a narrow sense. In a materialistic sense, it can be transformed to education about state condition. This can also be seen as civil education focusing on universal values. But this is not a matter of identifying a right title, for different leanings may be involved. We are all Chinese, so it is natural that we are patriotic. However, being patriotic does not prevent us from fulfilling our civil obligation to drive our country to achieve democracy, prosperity and power, and to oppose autocracy and closed-door policy. Patriotism and democracy are the aspiration of contemporary Chinese, and the significant components of national education.

Nevertheless, in all circumstances, promoting an understanding of the history of the Chinese nation is a must in national education. Without studying history, one can hardly tell his love of his country, nor can he understand its conditions. He will definitely be a substandard citizen. If so, how can he exert himself for his country? How can he drive the country to achieve democracy, prosperity and power? As for the education sector, if we are to promote national education, the first thing we must do is to include Chinese History as a compulsory subject. At present, the most suitable approach with broad coverage is to include Chinese History as a compulsory component of Liberal Studies, so that every student will study the history of China. For learning lessons from history will enable them to know better how to deal with the present, to know that Cultural Revolution is no democracy and that democracy is a check on autocracy.

In this policy address of Donald TSANG, the education sector finds that the most striking remark, apart from "I would like to thank our teachers for their persistent efforts over the years", is the announcement that the education reform process has entered a "fine-tuning" stage and will "meet the reasonable demands of stakeholders". The education sector has gone through an avalanche of education reform initiatives introduced after the reunification, a series of reduction of classes and culling of schools, the most painstaking experience in the history of education, and protests staged by ten thousand teachers oppressed by the draconian policies of the Government. Now, the education sector desires

to have stability and harmony. They desire to concentrate their efforts on good teaching. They desire that reduction of classes and culling of schools will be all in the past. They look forward to the fine-tuning of education reform. They look forward to the restoration of mutual trust between the Government and the community, and harmonious co-operation for the well-being of education and students. Though differences may still exist, though demonstrations may still go on, though disputes seem inevitable, we have the sincerity and determination to solve the problems. I believe this determination to solve the problems will override differences and confrontations, for we share a common mission, to teach our students properly and to provide good education.

With these remarks, President, I give my big thanks to the section on education in this policy address.

**MR DANIEL LAM** (in Cantonese): Madam President, in this session, I wish to briefly explain the concern of the Heung Yee Kuk about education and health care issues. In the policy address, the Chief Executive proposed to extend free education from nine to 12 years. He also proposed to implement small-class teaching in suitable public primary schools in phases and extend this initiative to Primary Six by 2014-2015. Heung Yee Kuk believes that increased investment in education is essential to upgrading the quality of the community as well as that of our population. I hope that the Government will conduct studies early on the extension of small-class teaching to secondary schools, with a view to further improving basic education in Hong Kong.

Madam President, some years ago the Government scrapped many schools, especially village schools, on the grounds of insufficient student intake. Many of these vacated school premises are still left vacant, posing law and order problems in the rural areas. We hope that the Government can put these vacant premises to good use by turning them into venues where education courses or recreational and cultural facilities are provided for the villagers, so that the elderly and youth in rural villages can spend their leisure time there.

As regards health care services, I would like to say that Hong Kong is an Asian cosmopolitan and while environmental hygiene in the urban area is quite good, latrines are still used in many walled villages in the New Territories and also at tourist spots in the remote parts of the territory, and the hygiene conditions there do give cause for concern. I think the Government should

expeditiously make improvements, in order to make Hong Kong worthy of its reputation as an international metropolis.

I so submit.

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

(Prof Patrick LAU hurried into the Chamber)

**PRESIDENT** (in Cantonese): Prof Patrick LAU, do you wish to speak?

**PROF PATRICK LAU** (in Cantonese): Madam President, I learnt from the policy address that the Government will introduce a series of positive measures to reform Hong Kong's education system. But I must point out that, to develop a satisfactory education system, apart from cultivating a respect for teachers, we must, most importantly, formulate and adhere strictly to a set of education philosophy, so that we can be clear about the path ahead and realize whether we have deviated from the set goals.

I understand that different organizations or religious bodies may have different education philosophies. But I believe that no educationalist will ever deny the significance of whole-person education and moral, intellectual, physical, social and aesthetic development. I therefore hope that the Government can conduct more studies when implementing any education reform and focus more on the fundamental issues.

As the saying goes, the child is the father of the man. Pre-school education is therefore very important to a person's development and must not be overlooked. This is already well understood in the whole world. For this reason, issues such as investments in pre-school education, qualification requirements for teachers and school assessments are always tackled with the most serious attitude. Consequently, I think the Government should consider the ideas of providing 15-year free education, investing more resources in training up a greater number of pre-school educators and providing sponsoring bodies with better facilities, with a view to upgrading the quality of pre-school education in Hong Kong.

When it comes to primary and secondary education, it is even more necessary for us to intensify whole-person education, given the present emphasis on creative education in society. The Government has already started to implement general education. I hope that during the formulation of future education reforms, consideration can be given to providing secondary and primary school students with more opportunities to learn outside the classroom, so that they can get in touch with the wider community and nature more frequently, personally experience how it is like being inside an ancient architectural structure and get to know people from different walks of life, thus widening their horizons.

At this juncture, I wish to ask a question. The issue of quality education was mentioned last year, but there are no follow-up actions this year. What plans does the Government have in mind? Since some young but extremely gifted students have been admitted to university in recent years, the Government should expeditiously explore how to groom gifted children and introduce appropriate policies, so that these children can receive suitable support.

Madam President, finally, some tentative arrangements have been made to implement small-class teaching, a proposal that we have been discussing for many years. However, we must first tackle the problem that our existing facilities are unable to cope with the needs of small-class teaching. I think we should allow local architectural professionals to handle school reprovisioning projects and the conversion of those school premises vacated after school closure. This will be a good solution.

Similarly, if Hong Kong is to become a regional education hub, it must first tackle the shortage of school premises and hostels for non-local students. It is proposed in the policy address that several new sites will be allocated for the construction of new international schools and expansion of existing ones. On top of this, we should actually employ local architectural professionals for the purpose of converting vacated school premises and constructing hostel complexes as soon as possible. This can attract students from overseas, and not only this, their families can also be induced to come to Hong Kong for sightseeing and consumption.

Madam President, I support the measure of relaxing the restriction barring non-local students from taking up on-campus employment. With the relaxation

of the restriction, non-local students will have the opportunity of working with their local counterparts. This will help make Hong Kong more pluralistic, enabling our young people to deal more frequently with people from different cultures. In this way, Hong Kong people's competitiveness in the world can be enhanced.

The pooling of talents must be supported by the relaxation of immigration restrictions. For example, I hope that when the Security Bureau reviews the Quality Migrant Admission Scheme, it can set the admission criteria with a more open attitude. It must not seek to determine suitability for admission on the sole basis of utilitarian considerations. I am indeed very grateful because of all the education investments mentioned in the policy address. Thank you, Madam President.

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

(Mr Jasper TSANG raised his hand)

**PRESIDENT** (in Cantonese): Mr Jasper TSANG.

**MR JASPER TSANG** (in Cantonese): President, I wish to know whether this debate session will end in case no other Members wishes to speak.

**PRESIDENT** (in Cantonese): Yes. If no other Member .....

(Mrs Selina CHOW raised her hand)

**PRESIDENT** (in Cantonese): Mrs Selina CHOW, do you wish to speak?

(Mrs Selina CHOW nodded)

**PRESIDENT** (in Cantonese): May I know whether your speech will be longer than five minutes?



**MRS SELINA CHOW** (in Cantonese): Yes.

**PRESIDENT** (in Cantonese): Yes? If you do not mind (I believe other Members will not mind too), I now announce the suspension of the meeting. *(Laughter)* Mrs Selina CHOW will be the first Member to speak in the fourth debate session tomorrow. If other Members are also interested after consideration, they may also speak in the debate session tomorrow.

### **SUSPENSION OF MEETING**

**PRESIDENT** (in Cantonese): The meeting is now suspended.

*Suspended accordingly at three minutes to Nine o'clock.*