

OFFICIAL RECORD OF PROCEEDINGS

Wednesday, 28 November 2007

The Council met at Eleven o'clock

MEMBERS PRESENT:

THE PRESIDENT

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

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

THE HONOURABLE ALBERT HO CHUN-YAN

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

THE HONOURABLE LEE CHEUK-YAN

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

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

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

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

THE HONOURABLE MARGARET NG

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

THE HONOURABLE JAMES TO KUN-SUN

THE HONOURABLE CHEUNG MAN-KWONG

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

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

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

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

THE HONOURABLE LEUNG YIU-CHUNG

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

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

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

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

DR THE HONOURABLE YEUNG SUM, J.P.

THE HONOURABLE LAU CHIN-SHEK, J.P.

THE HONOURABLE LAU KONG-WAH, J.P.

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

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

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

THE HONOURABLE CHOY SO-YUK, J.P.

THE HONOURABLE ANDREW CHENG KAR-FOO

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

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

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

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

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

THE HONOURABLE ALBERT CHAN WAI-YIP

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

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

THE HONOURABLE VINCENT FANG KANG, J.P.

THE HONOURABLE WONG KWOK-HING, M.H.

THE HONOURABLE LEE WING-TAT

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

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

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

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

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

THE HONOURABLE 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

MEMBER ABSENT:

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

PUBLIC OFFICERS ATTENDING:

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

THE CHIEF SECRETARY FOR ADMINISTRATION

THE HONOURABLE FREDERICK MA SI-HANG, J.P.

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT

THE HONOURABLE STEPHEN LAM SUI-LUNG, J.P.

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS

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

SECRETARY FOR SECURITY

DR THE HONOURABLE YORK CHOW YAT-NGOK, S.B.S., J.P.

SECRETARY FOR FOOD AND HEALTH

THE HONOURABLE DENISE YUE CHUNG-YEE, G.B.S., J.P.

SECRETARY FOR THE CIVIL SERVICE

PROF THE HONOURABLE CEAJER CHAN KA-KEUNG, S.B.S., J.P.
SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY

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

CLERKS IN ATTENDANCE:

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

MRS VIVIAN KAM NG LAI-MAN, ASSISTANT SECRETARY GENERAL

MRS JUSTINA LAM CHENG BO-LING, ASSISTANT SECRETARY
GENERAL

TABLING OF PAPERS

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

Subsidiary Legislation/Instruments	<i>L.N. No.</i>
Rating (Exemption) (No. 2) Order 2007.....	221/2007
Tsing Sha Control Area (General) Regulation.....	222/2007

Other Papers

- No. 30 — Accounts of the Government for the year ended 31 March 2007
- No. 31 — Report of changes to the approved Estimates of Expenditure approved during the second quarter of 2007-2008 (Public Finance Ordinance : Section 8)
- No. 32 — Report of the Director of Audit on the Accounts of the Government of the Hong Kong Special Administrative Region for the year ended 31 March 2007
- No. 33 — Report No. 49 of the Director of Audit on the results of value for money audits - October 2007
- No. 34 — Ocean Park Corporation
Annual Report 2006-2007
- No. 35 — The Government Minute in response to the Nineteenth Annual Report of the Ombudsman issued in June 2007

ADDRESSES

PRESIDENT (in Cantonese): Addresses. Prof Patrick LAU will address the Council on the Ocean Park Corporation Annual Report 2006-2007.

Ocean Park Corporation Annual Report 2006-2007

PROF PATRICK LAU (in Cantonese): Madam President, I table before the Legislative Council today the 2006-2007 annual report of the Ocean Park Corporation (Ocean Park).

After celebrating its 30th anniversary in January 2007 with the participation of the community, Ocean Park proceeded to complete an extraordinary fiscal year and reached new heights in attendance figures, surpassing the previous year's total of 4.3 million guests in 10 months and two days, and setting a new record of 4.92 million in 2006-2007.

The outstanding attendance led to record admission revenue of HK\$619.3 million, and in-park revenue of HK\$225.7 million, representing increases of 12% and 28% respectively. Through prudent spending and strategic expansions of our sales network and product range, we achieved a record surplus of HK\$171.3 million, signifying a 9% increase to that of last year.

Behind these stunning results are the tireless dedication and can-do spirit of our staff at Ocean Park, and on behalf of our Chairman and Board of Directors I would like to thank all of them for their efforts. We would also like to thank the Hong Kong community, the Hong Kong Special Administrative Region (HKSAR) Government, as well as the Hong Kong Tourism Board and our business partners for their support.

We officially broke ground with our HK\$5.5 billion Master Redevelopment Project in November last year and proceeded to launch the first of eight development phases with the unveiling of SkyFair, with Hong Kong's newest tourist icon, the Sky Star helium balloon, during Chinese New Year. The Master Redevelopment Project is now in full gear and we look forward to launching further attractions over the next six years, doubling our current offerings to more than 70 upon completion. We will also actively explore and incorporate sustainable designs and renewable energy sources into the new Ocean Park, to set an example and help pave the way for a greener future in Hong Kong.

Ocean Park continues to champion its differential qualities by upholding its mission of connecting people with nature through enriching experiences and educational programmes, heralding wildlife conservation values and outstanding entertainment value.

In April 2007, we presented our annual Animal Close Encounters month, through which visitors experienced for themselves the importance of conserving natural habitats and taking action to stop global warming. Our annual major events during Halloween, Christmas, Chinese New Year and the summer months also continued to be record-breaking successes, strengthening our position in the hearts and lives of all Hong Kong people, and demonstrating Ocean Park's ability to come up with what is relevant to the market.

Ocean Park is faithful to its roots as a homegrown people's park and we are proud to participate in Hong Kong's collective memory. We celebrated Ocean Park's 30th anniversary alongside a local couple's 30th wedding anniversary, and we invited the entire city to share precious photographs taken in Ocean Park by featuring them in our People's Photo Album and displaying them at Ocean Park.

Shortly after, the Central People's Government announced that a pair of young giant pandas was to be given to the people of Hong Kong in celebration of the 10th anniversary of the HKSAR. We were thrilled to learn that Ocean Park would be the appointed caregiver to this pair of national treasures. Welcoming Ying Ying and Le Le on Hong Kong soil was an unforgettable moment for the city, and an important milestone for Ocean Park; we could not have asked for two better animal conservation ambassadors for Hong Kong.

While all our animal ambassadors play a vital role in helping us spread the conservation message to the public, Ocean Park's own Environmental Steering Committee has also spearheaded numerous pioneering environmental management and inspirational public campaigns over the past 12 months.

Ocean Park actively expanded the platform for raising awareness on conservation issues through our support for Ocean Park Conservation Foundation, Hong Kong (OPCFHK). We donated HK\$7.2 million to OPCFHK in 2006-2007, to fund animal research and scientific projects in Hong

Kong and Asia. In recognition of our expertise and experience in marine mammal veterinary and animal husbandry, OPCFHK signed a memorandum of understanding with the Agricultural, Fisheries and Conservation Department (AFCD), to assist them with all marine mammal stranding projects on Hong Kong shores. Since the commencement of the programme, our team has been called upon by AFCD to work on more than 50 stranding sites.

Ocean Park has helped over 18 000 students in 34 schools understand how they can make a positive difference in Hong Kong's air quality, through the "Clean Air Outreach" campaign. In addition, we reached 45 000 local students through our Ocean Park Academy, which offered innovative courses against the stunning backdrop of Ocean Park's animal ambassadors and natural surroundings, to instil in them knowledge of wildlife conservation and environmental protection.

Our winning combination of quality service and innovative products has earned us recognition locally and globally, and *Forbes Traveler* mentioned Ocean Park in its latest list for "50 Most Visited Tourist Attractions" in the world. Moreover, 200 000 school children named Ocean Park as their favourite Hong Kong landmark, alongside with the Victoria Harbour, the Peak and the Big Buddha on Lantau Island, in a survey by a local children's magazine. Ocean Park also continues to strive to be the employer of choice, with a remarkable staff retention rate of 90%. In fact, 20% of our staff force has been with Ocean Park for 20 years or more.

Moving forward, we will strive to maintain our robust financial performance and continue to expand our network in mainland China and Asia, so that we can reinvest in Ocean Park for better facilities and further enriching programmes, in a bid to create an unforgettable and unique experience for our guests. We will continue working towards reaching new heights in entertainment value and attendance, not only as Hong Kong people's favourite theme park, but also as a key player of Hong Kong tourism initiatives within a world-class city and tourist destination.

We are also fully aware that all of us, as one community, are facing the issues of changing climate conditions, and we intend to put even greater effort into leveraging the differential qualities of Ocean Park's vision, mission and

unique natural assets, to work diligently towards strengthening people's awareness on environmental and conservation values.

Last but not least, on behalf of Ocean Park, I would like to thank all the individuals and organizations for their support and participation, which made it possible to see through such a fantastic year. We will continue to serve Hong Kong faithfully and provide all our guests with unparalleled edutainment experiences, while promoting conservation values and leading the way towards sustainable development with the new Ocean Park.

Thank you, Members. Thank you, Madam President.

PRESIDENT (in Cantonese): The Chief Secretary for Administration will address the Council on the Government Minute in response to the Nineteenth Annual Report of the Ombudsman issued in June 2007.

Government Minute in response to the Nineteenth Annual Report of The Ombudsman issued in June 2007

CHIEF SECRETARY FOR ADMINISTRATION (in Cantonese): Madam President, the Nineteenth Annual Report of The Ombudsman (the Report) was tabled in this Council on 4 July 2007. I now present the Government Minute which sets out the authorities' response to the recommendations made in the Report.

Government bureaux, departments and public bodies concerned have generally accepted all recommendations made by The Ombudsman for the investigation cases in the Report. They are now taking positive steps to implement the recommendations.

The Ombudsman is widely recognized by the community as a credible guardian of quality public service. The acceptance of The Ombudsman's recommendations conveys the authorities' support for The Ombudsman's work and their readiness to accept her constructive advice.

The Government will continue to partner with The Ombudsman in the pursuit of our common goal to enhance the quality of public service and transparency in governance.

Thank you, Madam President.

PRESIDENT (in Cantonese): Ms Miriam LAU, Dr Raymond HO, Mr Albert HO, Mr Andrew CHENG, Mr WONG Kwok-hing and Mrs Selina CHOW will address the Council on the Rail Merger Ordinance (Commencement) Notice. This subsidiary legislation was tabled in this Council on 31 October 2007.

Rail Merger Ordinance (Commencement) Notice

MS MIRIAM LAU (in Cantonese): Madam President, I will address this Council in my capacity as Chairman of the Subcommittee on Rail Merger Ordinance (Commencement) Notice (the Subcommittee) and report on the work of the Subcommittee.

The legislative amendment exercise for implementing the rail merger was generally completed after the passage of the Rail Merger Ordinance and approval of the necessary amendments to the relevant subsidiary legislation by this Council. On 26 October this year, pursuant to section 2 of the Rail Merger Ordinance, the Administration appointed 2 December 2007 as the day on which the Rail Merger Ordinance would come into operation.

Subsequently, the House Committee agreed to form a subcommittee to study the Commencement Notice. The Subcommittee held a meeting with the Administration and the two railway corporations to discuss the final preparations before the rail merger, which included the integration of the ticketing and fare systems, transitional staffing and employment arrangements, alignment of respective safety management systems of the two corporations and publicity arrangements. In this connection, the two railway corporations advised that the relevant preparations had generally been completed and they were ready to effect the merger on 2 December 2007.

Among all preparations to be made, the Subcommittee was particularly concerned about the transitional staffing arrangement and the re-configuration of the ticketing and fare systems required for charging the post-merger fares.

In relation to staffing arrangements, the Subcommittee has urged the MTR Corporation Limited (MTRCL) to continue liaising with the staff side and The Coalition of Five Unions of MTRCL and Kowloon-Canton Railway Corporation (KCRC) with a view to resolving the difference between the management and staff side, particularly the grading structure design and the resultant changes to salary scales, in a practical and honest manner. There is also a need to ensure that timely and accurate information on staff arrangements be communicated effectively to their staff and unions to allay their concerns and worries.

In relation to the integration of the ticketing and fare systems, the Subcommittee has called on the post-merger corporation (MergeCo) to expeditiously conclude the re-designing of the single journey ticketing systems so as to enable single journey ticket users to enjoy the fare reductions brought about by the abolition of the second boarding charge at the earliest opportunity.

The Subcommittee hoped that members of the public could enjoy immediate fare reduction upon the rail merger. However, members have expressed concern about MergeCo's failure to extend the MTR Railway's existing 50% discount on student fares to the KCR Railway. Members generally considered it undesirable for MergeCo to have two different fare systems. Members pointed out that MergeCo should adopt the best practices of each corporation in order to provide the best service to the travelling public. In this connection, members called on MergeCo to provide a 50% discount on student fares for the KCR Railway similar to that of the discount rate for the MTR Railway, and provide public toilets at MTR stations similar to the prevailing practices of the KCRC. Furthermore, some members also called on MergeCo to introduce permanent monthly or weekly ticket schemes for railway users, as well as to improve Light Rail services and introduce a fare reduction. Members also opined that MergeCo should examine how it could contribute to the development of the local economy of Tin Shui Wai by sponsoring large-scale activities organized for the purpose and/or provision of concessionary fares to attract visitors to the tourist spots there.

Madam President, in examining the Rail Merger Bill, members had requested the Administration to follow up several matters and report to the Subcommittee on Matters Relating to Railways and the Panel on Environmental Affairs in six months' time. The matters include the need for MergeCo to expeditiously:

- (a) improve the channels and ways through which information is disseminated to passengers on board the train;
- (b) retrofit platform screen doors and improve the air flow at platforms of non-enclosed railway stations at the earliest possibility;
- (c) provide public toilets in MTR stations;
- (d) enhance Light Rail services;
- (e) complete the planning and implementation plan of the Shatin to Central Link as early as possible; and
- (f) mitigate railway noise during both train operation and maintenance periods.

Following the rail merger, it is hoped that MergeCo will continue to provide the public with reliable and safe services. Here, I urge the Administration and MergeCo again to honour their pledges to report to the Subcommittee on Matters Relating to Railways and the relevant panels on its developments in due course.

DR RAYMOND HO (in Cantonese): Madam President, the rail merger would have a positive impact on the general public, Hong Kong economy and social development. Once merged, MergeCo will immediately effect a fare reduction such that all rail riders commuting among Hong Kong, Kowloon and the New Territories will enjoy more convenient railway services at lower fares. The fare reduction may also compel other modes of public transport to increase their competitiveness through fare reduction, thereby bringing benefits to members of the public ultimately.

There are currently plenty of world-class railway management experts in the two railway corporations. Hence, once merged, the engineering and management elites of the two corporations and their 30 years' experience in the construction of local railways will be pooled together. This does not only enable Hong Kong to build a sounder and more efficient railway systems, the relevant professional services can also be exported to the Mainland and overseas countries with a view to creating more business opportunities and likewise more

job opportunities for our local engineers, thereby enhancing our international image.

During the discussion on the rail merger, the Administration suggested a breakthrough concept in Hong Kong's future railway development. In addition to the established practice of funding railway construction by railway corporations, a "concession approach" was introduced, under which greater flexibility would be provided for the future development of new rail lines. Recently, the Government has announced the strategic directions of a number of new railway projects. It is believed that these projects may help retain engineering elites in Hong Kong, and attract more valuable talents to come here to participate in the implementation of local and cross-boundary railway projects in future.

Talents are priceless assets of a corporation, it is therefore imperative for a corporation to take good care of staff interests. For this reason, members had relayed time and again staff concern during discussions on the relevant legislation. The Government and the corporations, on the other hand, were ready to accept good advice and honoured their pledge to take care of staff interests. In a recent meeting held by the Subcommittee on Rail Merger Ordinance (Commencement) Notice, the MTRCL also agreed to take on board views from staff concerning details like the title "Engineer", which include adopting a commonly used practice in the market, whereby professionally qualified engineers can use the title "Engineer" in place of the unreasonable old title of "Assistant Engineer". Thanks to Members' persistent efforts, I am very pleased that the merger was able to balance public and staff interests. Besides, I also hope that the MTRCL can immediately enhance localization with a view to improving the presently unsatisfactory situation and nurturing local talents in a proactive manner.

PRESIDENT (in Cantonese): Dr Raymond HO, I have to remind you that your script has been approved by me, so please do not mention any points that are not contained in the script.

DR RAYMOND HO (in Cantonese): Sure. Thank you, President.

PRESIDENT (in Cantonese): Please continue with your speech.

DR RAYMOND HO (in Cantonese): Projects like the West Island Line, South Island Line, Shatin to Central Link and the cross-boundary Guangzhou-Shenzhen-Hong Kong Express Link have been discussed for quite some time in this Council. If they can be implemented as early as possible under vigorous government promotion of infrastructure development, members of the public and society at large will certainly stand to benefit. These railway development projects will not only improve the local transportation network, boost patronage and promote community development, but may even enhance communication between Hong Kong and the Mainland and consolidate our strategic development status. At the Bills Committee on the Rail Merger Bill, I have urged the Government and the MTRCL time and again that more should be done in this regard so as to expeditiously complete the sound railway network. I hope that the Government and the MTRCL will step up efforts in this regard soon after the rail merger becomes effective.

The rail merger does not only benefit the general public by way of fare reduction, it also brings new development opportunities for local railways. In the wake of rapid development of both local and overseas railways, our public transportation can be further improved, thereby providing more development opportunities for our local talents, especially the engineering sector. Madam President, I so submit. Thank you.

MR ALBERT HO (in Cantonese): Madam President, insofar as the rail merger is concerned, the dice is cast. Just as we have previously pointed out during the deliberations on the Rail Merger Bill, barring unforeseen circumstances, the right to operate the local railway will be monopolized by the newly established MTR Corporation Limited (MTRCL) in the next 50 years. As evident in the recent announcement of a \$6 billion government capital injection into the West Island Line project, the bargaining power of the Government in negotiating future railway construction with the MTRCL will dwindle with a lack of competitors. Hence, further capital injections, will have to be made to other rail lines.

As we can see from the post-merger fare announced by the MTRCL last week, the so-called "synergies" arising from the merger failed to produce the

expected outcome and the MTRCL also admitted that only 10% of passengers would enjoy a fare reduction of more than 10%. There is an up to 20% or 35% reduction on fares for some journeys, but if we take a closer look at it, we may discover that the fare reduction did little to boost the low patronage. Take the journey from Tuen Mun to Sheung Shui as an example, while the reduced fare is still higher than that of other modes of transport, double or triple travelling time is required. However, for journeys of particularly high patronage, say, from Tuen Mun to Central, only a mere 10% reduction is offered. I think that such reduction has only demonstrated how the merger will give rise to a monopolized railway kingdom. Coupled with the proposed fare increase mechanism with a permitted range of fare adjustment, the Democratic Party believes the reduction will simply lead to a fare increase in the end.

We have already spoken a lot on our requirements for the rail merger, so I am not going to repeat them. Regarding the rail merger, I have an impression that MergeCo has failed to retain the merits of the previous entity. For instance, the MTR Railway used to offer half-fare concession to all full-time students, but this concession would not be extended to the current KCR Railway after the merger. Likewise, as advised by the MTRCL, such facilities as toilets provided by the KCR Railway will not be available on the MTR Railway. In fact, many people have already pointed out that it is absolutely feasible for the MTR Railway to provide toilets, only that the MTRCL has stood firm on its stance and refused to make any concession.

I believe the reason for not providing student fare concession or toilets is, after all, a matter of money. What is most infuriating is that in the course of the rail merger, the Democratic Party failed to see that the Government had made its best efforts to request the MTRCL to undertake improvement. In fact, everyone knows that these are the most fundamental and necessary facilities for passengers.

With regard to the request made to the MTRCL concerning the provision of half-fare concession to people with disabilities, the Government recently advised this Council that owing to some technical difficulties, it might still take some time before the concession in question can be provided. Furthermore, the MTRCL also refused to bear the capital expenditure incurred for the modification of the technical systems (mainly the Octopus System). We consider that the concession in question should have been provided long ago had the Government exerted more pressure on the MTRCL.

As for other issues such as the retrofitting of platform screen doors, the provision of toilets and a review of the subsidiary legislation relating to the MTRCL, we can only hope that MergeCo will not forget everything once it gets through, especially the continued provision of monthly pass for West Rail passengers. We think that the MTRCL is duty-bound to turn it into a permanent system. Insofar as the post-merger fare is concerned, while the MTR Octopus fare for the journey from Tuen Mun to Central is \$21.9, it is only \$19.5 for a passenger travelling on a monthly pass and an Octopus card. This shows that there will be an increase of \$2.4 per journey once the monthly pass is cancelled, which may impose a heavier burden on the commuting public. On the issue of fare reduction for Light Rail services, the Democratic Party has to express its strong resentment against the Government and the MTRCL. We have no idea why the Administration has declined the request to reduce fare which costs just a few tens of million dollars.

Madam President, during the deliberations on the Bill, the Democratic Party proposed a number of amendments concerning certain important issues, which included requiring that the railway development rights be put to open tender in the future, and that the evaluation of the transferred properties be disclosed so as to clear the doubt about the disposal of public assets at a knock-down price and the transfer of benefits arising from the rail merger. However, no reasonable explanation has been given by the Government nor the two railway corporations so far. The Democratic Party believes a lack of supervisory power of this Council will only result in more transfer of benefits in future. Madam President, I so submit.

MR ANDREW CHENG (in Cantonese): Madam President, last week, the two railway corporations announced the fares to be charged after the rail merger. The fare reduction rates announced confirmed that the synergy effect promoted by the two railway corporations initially for the merger has not been achieved. The claim that "one plus one will result in more than two" has failed to realize, and there may even be cases where "one plus one will result in less than two".

The reason is that only less than 10% of passengers will enjoy a fare reduction of 10% or more. Though a 20% or 35% fare reduction is offered for certain routes, these routes have the following features in common. First, a number of interchanges have to be made. Take the journey from Tin Shui Wai to Sha Tin as an example. A passenger has to take the West Rail and change to the MTR and then the KCR. If the passenger lives not near the West Rail

station, he or she may have to take another trip on the Light Rail. Second, these routes will not be able to attract passengers even if the fare is cut by 30%, for the same route is offered by other transports, such as buses, at more competitive prices and shorter travelling time. These reductions seem to be fare cuts in numeric terms rather than bringing actual benefit to the public. It also illustrates that the annual synergy effect arising from the merger as proposed back then is very limited.

Madam President, another point, which is even more worrying, is the provision that allows the setting of individual fares within the permitted range prescribed in the future fare adjustment mechanism. The Democratic Party considers that the railway corporation will take advantage of the fare reductions of these routes to increase the fares of popular routes patronized by most passengers. Therefore, I reiterate our demand that the railway corporation must abolish the permitted range approach for individual railway fares under the fare adjustment mechanism.

Another revelation from the fare reduction announced this time around is that the monthly pass offered at present should be retained. Passengers who have to travel from remote areas to Hong Kong Island may save up to 10% in transport fare for each journey by using the monthly pass. Take a trip from Tuen Mun to Central as an example. If paid by Octopus, the fare charged is \$21.9, but if it is paid by monthly pass and Octopus, only \$19.5 will be charged. In addition to monthly passes, I think the future MTRCL should offer more day-passes, weekly passes and even annual passes.

Madam President, the so-called synergies arising from the merger of the two railway corporations will be \$450 million per annum. However, the loss borne by the people of Hong Kong seems really too much. On issues concerning the right of the public to monitor railway fares, the hidden subsidy in the right to estate development along the railway line, the bargaining power of the Government over the future development of railways and even the relevant subsidiary legislation or request for the provision of toilets, and so on, the future railway corporation may use "market operation" and "free market" as the shield. I understand that this is the last time I can speak on the relevant subject before the merger of the two railway corporations. No one can really tell when the Legislative Council will have the opportunity to amend legislation relating to the two corporations. Now, I am afraid, all that the public can do may probably be wishing that the two railway corporations would have the good intention to serve

the public. I hope that the Government, being the major shareholder, will act as a gatekeeper and actively examine the establishment of a fare stabilization fund to provide to the people of Hong Kong

PRESIDENT (in Cantonese): Mr Andrew CHENG, what you are saying now is not included in your script.

MR ANDREW CHENG (in Cantonese): Sorry, President, I was about to finish, that is, to provide a reliable and safe service in Hong Kong.

PRESIDENT (in Cantonese): Please stick to your script when you speak.

MR ANDREW CHENG (in Cantonese): Thank you, Madam President.

MR WONG KWOK-HING (in Cantonese): Madam President, four days later, the official merger of the MTR Corporation Limited (MTRCL) and the Kowloon-Canton Railway Corporation (KCRC) will complete. The MTRCL will turn a new page in the railway development of Hong Kong, which is a milestone for the further development of the mass transit system in Hong Kong. It has been one and a half years since the announcement of the merger of the two railway corporations, and the Bills Committee of this Council has examined the various aspects of the bill a number of times. During the deliberations on the enactment of the principal legislation, I already expressed my opinions in detail on the following issues: The fare adjustment mechanism, alleviation of passengers' burden, lowering of Light Rail fares in conjunction, the enhancement of railway service quality upon the merger, improvement of various service facilities, regulation of the right to estate and assets upon the merger, further enhancement of the safety and efficiency of railway operation, and so on. A number of proposals have been adopted by the Government and the railway corporations. Some of the proposals are under consideration by the Government and the railway corporations, which need to be followed up and discussed. However, persistent efforts have to be made to fight for the adoption of some other proposals.

Madam President, this time, the Subcommittee on Rail Merger Ordinance (Commencement) Notice set up by this Council seeks to make further preparation for the commencement of the merger of the two railway corporations. As the commencement of the merger will soon take effect, as a Member of the Legislative Council representing the labour sector, I am keenly concerned about the smooth operation of the railway and the proper treatment of the staff members of the two railway corporations, particularly their job security and career prospects. Therefore, I put forth three requests at the meeting of the Subcommittee, to which the Government and the railway authorities have responded positively. I greatly welcome this move and hope that the authorities will make good their promise and implement it thoroughly.

First, before the official merger of the two corporations, it is inevitable that staff members will have all kinds of worries about their career prospects. Before the issue was brought to the Subcommittee for discussion, as well as during the discussions, the management side and the staff side have had communication, and the railway corporations have undertaken to inform their staff in writing at the end of this month. Despite that, I once again urged the railway corporations to issue notification in writing at the Subcommittee. At the same time, the authorities should enhance their communication with staff unions and staff representatives, and adopt reasonable proposals and requests made by staff unions and staff members to dispel the remaining doubts of staff promptly. The authorities eventually adopted my views, and the mutual trust and co-operation between employers and employees, and that between the management and staff sides, have been further enhanced. I hope that the MTRCL to be established will continue to uphold and respect this spirit and the mechanism of full co-operation between the employers and the employees in future to improve the labour relationship further upon the merger. Practice has proved that full co-operation between employers and employees is the only means to seek common grounds, where both sides can go along harmoniously through mutual understanding and accommodation. Disputes between employers and employees can thus be properly handled and solved, creating the win-win situation which society at large will benefit.

Second, the existing post titles of the two railway corporations are not standardized. This may also induce worries and resistance from staff, for the fear that they will be demoted to a lower rank or lower post after the merger. For instance, earlier on, some staff members were deeply dissatisfied with the

change of the post title for "engineer" under the KCRC to "assistant engineer" after the merger, for they felt they were being demoted. I reflected the views of the staff unions and staff members at the Subcommittee. The authorities and the railway corporations promised directly that the original post title would be retained, and the problem was properly solved.

Third, the job security of front-line staff has all along been the priority concern to staff unions, an issue which the railway corporations have been evasive about. At the Subcommittee, the railway corporations gave me an unequivocal undertaking that the job security of all front-line staff would be guaranteed. I welcome this. Madam President, as the Government and the railway corporations have responded proactively to the above issues mentioned by me and given an unequivocal undertaking on these issues, I will support this legislation. Finally, I once again hope that the MTRCL will co-operate sincerely with the five trade unions in future and establish a close partnership with them, for the full co-operation between employers and employees will bring mutual benefits to both sides, enhance the service for the public and bring prosperity to Hong Kong. Madam President, I so submit.

MRS SELINA CHOW (in Cantonese): President, regarding the half-fare concession for students now provided by the MTR, members of the Subcommittee on Rail Merger Ordinance (Commencement) Notice, including myself, have expressed grave concern that the concession will not be extended to the Kowloon-Canton Railway (KCR) after the merger of the two railway corporations. I implore the new railway corporation to change its mind in future to provide students with half-fare concession similar to the existing one provided by the MTR along the railway line of the Kowloon-Canton Railway Corporation (KCRC).

Actually, I believe one of the major reasons for the public agreeing to the merger is that the synergy arising from this move will benefit passengers, particularly in fare reduction. Indeed, this is also the primary reason for the Liberal Party supporting the merger. Upon the merger, the new corporation has honoured the initial undertaking promptly by introducing a fare reduction along the railway line and abolishing the second boarding charge, bringing into play the merit of synergy. However, if everyone, except students, can enjoy the benefit arising from the merger, this is not only unfair to students in general but also goes against public expectation of the merger initially.

On the other hand, the residents of Northwest New Territories have long been dissatisfied with the service of the Light Rail. For instance, they are dissatisfied with the low frequency, overcrowded cabins, insufficient platform space and shortage of staff, and so on. During the debate on the Rail Merger Bill in June, in response to the strong requests from Members, the authorities undertook to conduct a comprehensive review of the role played by the Light Rail in the provision of transport service in Northwest New Territories. The review was completed in September and submitted to the Legislative Council.

It is concluded in the review that the Light Rail should continue to act as the transport backbone of Northwest New Territories and the introduction of more ancillary transport services on a large scale is thus unnecessary. However, to enhance the frequency of service, the Light Rail will procure 22 new cabins which are expected to be in service by the end of 2009.

Though the Government has responded to the call of the Legislative Council and conducted the abovementioned review promptly, the Liberal Party worries that the improvement measures proposed therein may not meet the genuine demand of the passengers at large in Northwest New Territories.

Certainly, I believe, merely in the aspect of existing Light Rail service, the addition of 22 cabins will bring about improvement in some measure. However, I urge the authorities concerned to keep a close watch on the situation to ensure that the service of the Light Rail can address the need of passengers promptly and be ready to make corresponding improvement.

However, the Liberal Party is after all of the view that in the context of the long-term improvement of the transport planning of Northwest New Territories as a whole, these measures alone cannot tackle the problem at root. Therefore, a more in-depth and comprehensive review has to be conducted.

We all know that with the commissioning of the West Rail at the end of 2003, the role of the Light Rail has changed from a provider of district-wide service to a provider of feeder service for the West Rail. For this reason, the original light rail network is used to provide feeder service for the West Rail, while continuing to perform its role as the major provider of passenger service within the district. As a result, the service provided can fulfill the demand of neither side, resulting in inadequacies on various fronts and an avalanche of complaints from passengers.

However, given the franchise granted, the Light Rail has all along had a monopoly on the mass transit service in the district. Naturally, other means of transport can hardly enter the market to bring about fair competition. Even if they have successfully bided for the franchise for providing service in certain part of the district, they have to deliberately avoid areas covered by the Light Rail in planning their routes to ensure that they will not come into direct competition with the Light Rail. For instance, over the years, no regular bus routes have been provided to connect the large stretch of area between Tin Shui Wai, Yuen Long and Tuen Mun. On the contrary, for the urban area in Kowloon, which is smaller, there are 50 bus routes running between various destinations. Moreover, the public light bus service in Tin Shui Wai is inadequate. In general, red public light buses only run as far as Tin Wah Estate. Even if residents at Tin Shui Wai can take the green public light buses number 77 to Yuen Long, owing to the circuitous route, the low frequency and the long waiting time, it can hardly compete with the Light Rail. Therefore, given the monopolization of the Light Rail, and despite its inadequate service, residents have no other choice but to put up with it silently.

This is the crux of the problem. Since the commissioning of the West Rail has changed the function of the Light Rail, the authorities should take this opportunity to conduct a comprehensive review of the arrangement for the public transport service in the area overall. It should also examine the introduction of other modes of transport, such as buses and public light buses, and so on, to fill the service gap created by the Light Rail, such that the competition so introduced will lower the overall transport fare. The authorities should address the issue from the perspective of the residents in Northwest New Territories and provide a final solution to the mismatch between the mass transit network and the actual demand in the district.

Finally, I urge the new railway corporation to follow the existing practice of the KCRC by constructing toilet facilities at MTR stations. Actually, it is the aspiration of an overwhelming majority of the public that toilets be installed at stations along the MTR lines. This aspiration is crystal clear which needs no confirmation by any opinion survey. Therefore, unless there are some insurmountable technical problems, I urge the new railway corporation not to reject the request of installing public toilets at stations along the MTR merely because of the construction costs or the business consideration that toilets may take up shop rental space.

Thank you, President.

ORAL ANSWERS TO QUESTIONS

PRESIDENT (in Cantonese): Questions. First question.

Regulation of Debt Collection Practices

1. **MR ALBERT CHAN** (in Cantonese): *President, in reply to my question at the Council meeting on 14 March this year, the Government said that it would continue to combat illegal practices employed by debt collection agencies (DCAs). Yet I have learnt that on 13th this month, a construction worker who owed a large amount of gambling debt was escorted back to his home by two men to collect the debt. The construction worker suddenly became agitated, climbed out of the window, and fell to his death on the podium. This incident indicates that there is a deteriorating trend in the harassment of members of the public by DCAs in recovering debts. Besides, some banks, finance companies, telecommunications companies, beauty service companies and even tutorial teachers have hired agencies similar to DCAs to collect money owed by their customers, causing many members of the public to suffer harassment. In this connection, will the Government inform this Council:*

- (a) *of the number of cases reported by the public to the police since 1 January this year about harassment by DCAs, and the total expenditure incurred by the Government on handling such cases;*
- (b) *whether at this point in time, it will reconsider accepting the recommendations of the Law Reform Commission of Hong Kong (LRC) made in 2002 of creating a criminal offence of harassment of debtors and others and introducing a statutory licensing system to regulate DCAs; if so, of the details; if not, the reasons for that; and*
- (c) *whether it will consider taking new measures to step up law-enforcement actions to curb the harassing practices of DCAs in recovering debts; if so, of the details; if not, the reasons for that?*

SECRETARY FOR SECURITY (in Cantonese): Madam President,

- (a) From January to September this year, the police received 1 398 debt collection-related crime reports and 10 975 harassment reports

unrelated to crime. Compared to the same period in 2006, the number of debt collection-related crime reports and that of harassment reports unrelated to crime decreased by 3.45% and 3.70% respectively, and the overall number decreased by 3.67%.

The procedure and duration of the investigation into each case differ depending on the complexity of the case. Moreover, the officers concerned may concurrently be handling cases of other nature. It is, therefore, difficult for the Administration to assess specifically the total expenditure incurred in handling debt collection-related cases.

- (b) After considering in detail the recommendations put forward by the LRC in its report on Regulation of Debt Collection Practices, the Administration issued its detailed response to the report to the Panel on Security of the Legislative Council in September 2005. The Administration remains of the view at present there are various effective legislative provisions to combat illegal debt-collection behaviour of DCAs, and that there is no need to introduce new or more legal provisions in this regard. The law-enforcement agencies will continue to strictly enforce the relevant legislation, and handle matters related to improper debt collection in co-operation with other government departments.

As regard stalking arising from debt collection, the Administration will deal with the issue in its consideration of the LRC Report on Stalking.

- (c) In accordance with their powers under the law, law-enforcement agencies have always been vigorous in law enforcement to combat illegal debt-collection practices. Such enforcement effort has been effective in this regard. Apart from designating their crime investigation units to monitor and investigate into criminal offences that may arise from debt collection activities, the police closely monitor the mode and overall trend of debt collection activities in Hong Kong so as to combat illegal debt-collection activities in a systematic manner. For cases involving organized crimes or loanshark syndicates, depending on the circumstances and the seriousness of the cases concerned, the police will designate the crime squads or the Organized Crime and Triad Bureau to handle

them so as to step up enforcement against such illegal activities and to enhance the effectiveness of such enforcement action. Where appropriate, the police will seek to freeze or confiscate proceeds obtained by illegal means by invoking the Organized and Serious Crimes Ordinance so as to cut the source of income of these loanshark syndicates.

In addition, in order to crack down on illegal debt collection, apart from appealing to the public through the television programme "Police Report" and distributing promotional leaflets in residential properties, the police also liaise with the management companies of public and private estates and appeal for their assistance in preventing the loanshark syndicates from carrying out promotional activities or putting advertisements within the estates or the residential buildings. The police also liaise with the management or security company of the estates where individual debtors reside so that they will pay more attention and prevent DCAs from carrying out any possible illegal activities in the estates.

MR ALBERT CHAN (in Cantonese): *President, I am very disappointed with the Secretary's reply. And, I also think it is all nonsense. President, it is pointed out in part (b) of the main reply that at present, there are various effective legislative provisions to combat illegal debt-collection behaviour of DCAs. But the victim I cited as an example in the main question was still forced to jump to his death after the implementation of the "effective measures" mentioned by the Secretary. Moreover, tens of thousands of cases involving complaints against such acts of harassment were reported to the police every year. In other words, spates of tragedies and harassment practices still affect tens of thousands of Hong Kong people every day despite the "effective measures" mentioned by the Secretary. Under what circumstances, and how many more people must die, before the Secretary will consider the enactment of legislation to regulate the dirty and unscrupulous tactics adopted by DCAs to harass members of the public?*

SECRETARY FOR SECURITY (in Cantonese): Madam President, we are sympathetic to any member of the public who encounters any unfortunate incidents. But it will be inappropriate for me to make any comment now in the absence of any facts of the case. However, as stated in the main reply, there are already effective legislative provisions to combat debt collection practices which

constitute a criminal offence. Regarding the point that many DCAs resort to stalking as a means of debt collection, I have stated in the main reply that the Government will deal with the issue in its consideration of the LRC Report on Stalking.

MR ALBERT CHAN (in Cantonese): *He has not answered how many more people must die before he will reconsider the enactment of legislation.*

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

SECRETARY FOR SECURITY (in Cantonese): President, I have nothing to add.

MR JAMES TO (in Cantonese): *In many cases, DCAs are involved in the chain of extending loans to make people indebted. Is the Government aware that as fitness groups providing beauty and slimming services have cropped up in large numbers in recent years, some black sheep of the industry, triad societies, DCAs and loan companies have acted in collusion to target on young people who may be willing to spend tens of thousands of dollars on one single purchase, inducing them to incur debts and then pressing them for repayment? Has the Government noticed this new form of collusion, and does it have any measure to combat such practices? As the report on stalking involves freedom of the press and other issues, the whole issue has turned very complicated. Will the Government consider the needs of the time and first deal with urgent issues such as the stalking acts of debt collectors and ex-spouses, instead of generally focusing on enacting an all-embracing piece of legislation to deal with all problems?*

SECRETARY FOR SECURITY (in Cantonese): Madam President, at the moment, we do not have any intelligence which can show that any beauty parlours and DCAs have acted in collusion to induce young people to borrow money for plastic surgeries or beauty treatments and then press them for debt repayment. We do not have any such intelligence at the moment. Regarding Mr James TO's second question, the question about stalking, about whether we should first legislate on certain stalking practices and leave the rest to the second stage, I will relay his opinion to the relevant Policy Bureau.

MR ALBERT HO (in Cantonese): *President, having heard how the Government has been delaying the enactment of legislation on stalking over the past few years and how it has failed to give a concrete reply, I am really very disappointed. As a matter of fact, this grey area has enabled DCAs to employ many dunning tactics that cause immense mental torture and frustration to debtors.*

Even if the Government is unwilling to criminalize all stalking acts arising from debt collection, it should at least criminalize some of the acts concerned. Will the Government reconsider the introduction of a formal licensing system to regulate DCAs? And will it also consider the formulation of a code of practice under the licensing system, so that unreasonable practices can be sanctioned by means of licence revocation?

SECRETARY FOR SECURITY (in Cantonese): Madam President, in fact, the Government has been making ongoing efforts concerning the enactment of legislation on stalking. The issue used to fall within the portfolio of the Home Affairs Bureau, but after the reorganization of Policy Bureaux this year, it is now the responsibility of the Constitutional and Mainland Affairs Bureau. I will relay all relevant views to the Secretary concerned.

Mr HO's second question asked whether we would consider setting up a licensing system. In fact, we have already considered the possibility of doing so. In 2005, the Administration tabled before the Legislative Council a paper on the authorities' responses to the recommendations of the LRC report. It was stated *inter alia* that there were currently various ways to deal with the illegal practices of DCAs We thought at that time that a licensing system could do very little to help improve the prevailing situation because well-established DCAs and creditors would usually adhere to proper debt-collection practices, and law-breaking debt-collectors who resorted to illegal practices would still do so even if they did not have a licence. In brief, we are doubtful about the effectiveness of a licensing system as a means of regulating the dunning practices of the debt-collection industry. At the moment, we do not think that it is necessary to introduce a licensing system.

As for stalking, it is certainly a great concern to ours. We will relay the relevant views to the Policy Bureau concerned to examine the possibility of expeditious enactment of legislation.

MR ALBERT HO (in Cantonese): *He has not answered whether the Government will consider formulating a code of practice to regulate licensed DCAs or their compliance with I mean, the behaviour of licensed DCAs?*

SECRETARY FOR SECURITY (in Cantonese): Madam President, regulatory bodies such as the Hong Kong Monetary Authority and the Securities and Futures Commission (SFC) have already laid down guidelines on the appointment of DCAs by creditors. In the case of the SFC, for example, it has issued a set of guidelines on debt recovery practices to the licensed corporations under its regulation. There are many provisions in the guidelines, and one of them stipulates that debt recovery practices should not subject the debtor, his or her family members or other persons to public humiliation or harassment, such as by affixing notices of debt dues on the walls of the debtor's home. The licensed corporations need to keep a record of complaints received while the regulatory bodies will keep a close watch on the number of complaints against them. If they violate the guidelines, the regulatory body will administer punishment.

DR KWOK KA-KI (in Cantonese): *President, I believe the Secretary's reply today will be very good news to many DCAs. As a matter of fact, we have seen the occurrence of many regrettable incidents, including deaths. But the Government still does not think that it is necessary to enact any further legislation.*

I heard just now how the Secretary reply to the request for regulation, including the issuance of licences. And, he said that he would not consider the implementation of a licensing system. Has the Government ever conducted a thorough assessment? Can it disclose the content of the assessment? If he does not have the information now, can he provide us with a written reply on the Administration's assessment relating to the implementation of a licensing system as a means of reducing stalking?

SECRETARY FOR SECURITY (in Cantonese): We have indeed conducted an assessment of implementing a licensing system, and the Security Bureau has already explained the findings to the Panel on Security. I can provide the said document to Members if necessary. (Appendix I)

MR HOWARD YOUNG (in Cantonese): *President, according to the Secretary, there is currently no need to introduce more legislative provisions or a licensing system. As far as I know, the licensing systems found in many other sectors in Hong Kong are not introduced by the Government. The tourism sector, for instance, has also issued a set of guidelines for tourist guides. Is there any similar trade association or organization in the sector under discussion for the development of such guidelines? On the one hand, this can enhance the credibility of the sector, and on the other, it can enable stakeholders and creditors to understand what market-players in the sector should or should not do.*

SECRETARY FOR SECURITY (in Cantonese): There is already a licensing system operated by the Companies Registry for money lenders, that is, people who lend money to others. The Hong Kong SAR Licensed Money Lenders Association has also formulated a code of practice on the money lending business of this sector, under which members are required to undertake that their DCAs will not engage in improper debt-collection activities.

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

MR ALBERT CHAN (in Cantonese): *President, I think the Secretary has totally failed to grasp the seriousness of the problem. One of the most important aspects of the problem concerns non-criminal acts of harassment. In many cases, the DCA concerned will only telephone the debtor at his home, swear at anyone who answers the call and warn the debtor that he must pay the debt as soon as possible. This is, however, already sufficient to plunge the debtor's entire family into such great fear that they do not even dare to go home. And, the elderly family members may even stay out in a park all night instead of returning home. Hence, all the Secretary's talks about what is proper and what is improper are simply nonsense, because there is simply no complaints mechanism. In the past year, I handled over 1 000 such complaints, so I could see how large numbers of ordinary people live in fear. The Secretary is, however, totally unaware of this. When will he come to his senses and realize the plight of the masses? I hope he can wake up to the situation as soon as possible.*

SECRETARY FOR SECURITY (in Cantonese): Madam President, I believe we have to strike a balance. As stated in the LRC report, credit providers including banks or finance companies and their agents have the right to take reasonable steps to ensure that their debtors discharge their obligations of repaying their debts. I think this must be the relationship between the debtor and the creditor; otherwise, I am afraid prudent credit providers will not have any confidence in extending any credit facilities. We must therefore strike a balance, in the sense that we must uphold the legitimate debt collection needs of creditors while ensuring that debtors or third parties will not be subjected to any unreasonable stress or harassment.

Regarding the problem mentioned by Mr Albert CHAN, if the debtor thinks that there are any overtones of threat in the telephone communication, he or she can report to the police. If threat or extortion can be ascertained, we would treat the whole thing as a criminal case.

MR ALBERT CHAN (in Cantonese): *The Secretary has misunderstood my point mean. I am referring to the family members of the debtor. What I mean is that the one answering the telephone call is not the debtor but another member of his family. The telephone call may plunge the debtor's family members into panic. This is no criminal intimidation. It is no criminal intimidation to urge a debtor to repay the debt and be careful. What matters is the fear created by such words. The Secretary has not yet woken up to the problem. President, will you please remind him?*

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

SECRETARY FOR SECURITY (in Cantonese): Madam President, I see fully what Mr Albert CHAN means. This involves the issue of stalking. The Government is studying the Report on Stalking and we plan to address this issue at the time when we legislate in respect of the Report on Stalking in the future.

PRESIDENT (in Cantonese): Second question.

Default Payments of MPF Contributions by Employers

2. **MR LAU KONG-WAH** (in Cantonese): *President, regarding default payments of Mandatory Provident Fund (MPF) contributions by employers, will the Government inform this Council if it knows:*

- (a) *the total amount involved in the complaints received by the authorities concerned about employers defaulting on MPF contributions over the past three years, and the number of cases in which the amount defaulted have not been successfully recovered from the employers;*
- (b) *whether the authorities concerned have imposed heavier penalties on employers who have repeatedly defaulted on MPF contributions; apart from the plan to raise the maximum penalty for default payment on MPF contributions, whether the authorities concerned have other measures to stop the employers from defaulting payments on MPF contributions repeatedly; and*
- (c) *given that employers defaulting on MPF contributions will only be fined in most cases and are not required to pay any compensation to the employees concerned, whether the authorities concerned will conduct a study to see if it should be stipulated that employees have the right to recover from employers the employees' potential loss in investment returns arising from the default payments of MPF contributions by employers; if not, of the reasons for that?*

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): Madam President,

- (a) The amounts involved in the complaints received by the Mandatory Provident Fund Schemes Authority (MPFA) about employers defaulting on MPF contributions in the past three years were around

\$75 million, \$78 million and \$68 million respectively. Around 83%, 90% and 94% of the respective amounts had been successfully recovered.

The number of complaints received over the last three years were 6 018, 5 598 and 5 102 respectively. The proportions of cases where the amount in arrears could only be recovered partially were 5%, 4% and 3% respectively. The MPFA could not recover any of the amount in arrears for around 15%, 9% and 6% of the respective number of cases over the past three years. Detailed statistics are set out in the Annex for Members' information.

Overall, there is a downward trend in the number of default contribution cases received each year, while the successful recovery rate of default contributions is on the rise.

- (b) The MPFA takes enforcement actions against employers defaulting on MPF contributions according to the Mandatory Provident Fund Schemes Ordinance (MPFSO). To further enhance the effectiveness of enforcement actions against repeated defaulters, the MPFA has set up an investigation task force to closely monitor the compliance with the contribution requirements by those employers. The task force will take immediate action once default contribution is detected. The passage of the proposed legislative amendment to remove the 30-day settlement period by the Legislative Council is expected to help the MPFA to speed up its enforcement actions.

In taking prosecution actions, when there is sufficient evidence, the MPFA will apply for prosecution against company directors so as to impose on them criminal liability for better deterrent effect. Besides, the Department of Justice will submit previous penalty records of repeated defaulters for the Court's consideration in passing judgment.

When there is no sufficient evidence for instituting criminal prosecution, the MPFA may impose financial penalties on employers defaulting on MPF contributions at the higher of \$5,000 or 10% of the amount in arrears. The MPFA will step up the imposition of financial penalties against repeated defaulters having regard to circumstances of individual cases.

Moreover, the Government plans to introduce an amendment bill into the Legislative Council in the current Legislative Session with a proposal to raise the maximum penalty for defaulting on MPF contributions to a fine of \$350,000 and imprisonment for three years so as to put it on a par with the maximum penalty for defaulting on wages under the Employment Ordinance. We believe that the new measure will raise the deterrent effect of the MPFSO against default contribution cases.

The MPFA will review the effectiveness of the enforcement measures from time to time in the light of operational experience. It will also discuss with the industry about other practicable measures that could better protect employees' MPF benefits.

- (c) Under the MPFSO, a contribution surcharge calculated at 5% of the amount in arrears is imposed on employers who default on MPF contributions. The surcharges received are eventually credited into the employees' MPF accounts as compensation.

Furthermore, section 45G of the MPFSO stipulates that a person who has sustained financial loss that is attributable to the failure of another person to comply with a requirement under the Ordinance is entitled, by proceedings brought in a court, to recover from that other person the amount of that loss as damages. Section 45G provides sufficient legal basis to facilitate the employees in recovering loss in investment returns that is attributable to the employers' default on contributions.

Annex

Year	Total		Cases where amount in arrears had been partially recovered		Cases where none of the amount in arrears had been recovered		Amount in arrears not recovered as a % of total amount of default contributions (B+C)/A
	Number of cases	Total amount of default contributions (A) (HK\$)	Number of cases (as % of total number of cases)	Amount in arrears not recovered (B) (HK\$)	Number of cases (as % of total number of cases)	Amount in arrears not recovered (C) (HK\$)	
2004-2005	6 018	75,719,783	283 (5%)	1,292,277	915 (15%)	11,290,178	16.60%
2005-2006	5 598	78,753,350	208 (4%)	1,589,941	515 (9%)	6,385,076	10.10%
2006-2007	5 102	68,353,919	153 (3%)	1,089,458	290 (6%)	3,165,805	6.20%

MR LAU KONG-WAH (in Cantonese): *President, the Annex shows that in some cases, an amount in arrears could be partially recovered while in other cases, none of the amount in arrears could be recovered. If we do some calculations, we can see that the amount in arrears is around \$30 million which is earned by the sweat and toil of wage earners. It is really saddening if they cannot claim it back.*

So, as the Secretary said that section 45G of the MPFSO can be invoked in order to recover the amount in arrears, may I ask whether he has any figures on successful recovery of the money and the rate of successful recovery? If the rate of successful recovery is low, are there any other measures to help the workers to recover the amount in arrears?

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): Regarding Mr LAU Kong-wah's supplementary question, we do not have any figures in this aspect.

However, the MPFA will help the employees concerned recover the default payments of contributions by employers in accordance with the MPFSO and we will also recover the relevant surcharges. Certainly, we will institute criminal prosecution against an employer when there is sufficient evidence.

MR LAU KONG-WAH (in Cantonese): *The Secretary has not answered my supplementary question. He said that he did not have any figures in this aspect. Does he mean that he does not have such figures on hand or no information has been compiled or the workers' right under the Ordinance is not given due attention at all?*

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): Regarding the recovery of damages by employees from employers under section 45G, this is a civil litigation brought by the employees concerned. In other words, it depends on whether the employees will bring the case to court and the MPFA does not have any figure in this regard.

MR LAU KONG-WAH (in Cantonese): *President, may I request a written reply to this supplementary question by the Secretary at a later date?*

PRESIDENT (in Cantonese): Secretary, can you provide a written reply after relevant information has been obtained from the Financial Services and the Treasury Bureau or the MPFA?

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): Madam President, we can provide a written reply to this question after relevant data have been obtained from the MPFA. (Appendix II)

MR ANDREW CHENG (in Cantonese): *President, according to the Annex, a certain amount of money in arrears can be recovered but the annual total amount of money in arrears for three years combined has accumulated to more than \$220 million. In other words, many employers have adopted a gambling attitude, that is, they will make contributions if they are being claimed but will continue to practise deception if otherwise.*

In the third paragraph of part (b) of the main reply, the Secretary said that the MPFA would impose financial penalties on employers defaulting on contributions if it was not possible to institute criminal prosecution. However, he added that it would have to depend on the circumstances of individual cases.

May I ask the Secretary what principle he will strictly adhere to in dealing with employers who have a mindset of practising deception? If you can immediately impose financial penalties which may even exceed 10% of the amount in arrears when they have defaulted on contributions, they will realize that their loss is bigger than their gain if they default on payment. May I ask the Secretary what principle is adopted in response to individual circumstances and whether more stringent penalties will be imposed on these defaulting employers?

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): Madam President, the MPFA attaches great importance to dealing with cases of employers defaulting on contributions. When default contribution cases are found, it will assess whether evidence is sufficient for instituting criminal prosecution in deciding what action to take. If evidence is sufficient, it will, first of all, take action to institute criminal prosecution. With the support of sufficient evidence, it will consider prosecuting the directors of the company concerned. However, if there is no sufficient evidence for instituting criminal prosecution, meaning that it considers the chances of winning the case in Court not high, it will impose financial penalties on the defaulting employer.

Regarding the financial penalties, the MPFA will make reference to the fines imposed by Court in the past and the financial penalties we now impose have a certain degree of deterrent effect. We will certainly increase the financial penalties on employers who have defaulted on contributions for more than 12 months or repeatedly defaulted on contributions. In this aspect, we will continue to review the effectiveness in order to dampen the employers' desire to default on contributions.

MR ANDREW CHENG (in Cantonese): *The Secretary has not answered what principle is adopted when imposing financial penalties. In the main reply, he said that the MPFA would consider the circumstances of individual cases. Will the Secretary consider imposing financial penalties immediately when the employers have defaulted on contributions so as to discourage their gambling mindset? Now they have a gambling mindset and consequently, the money in arrears amounts to tens of millions of dollars every year and has reached more than \$200 million in three years*

PRESIDENT (in Cantonese): Instead of elaborating your views, you only need to point out which part of your supplementary question has not been answered.

MR ANDREW CHENG (in Cantonese): *I am afraid he could not catch my meaning.*

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): Madam President, Members can look at our whole set of measures for dealing with defaulting employers. First, we will recover the contributions through civil proceedings. Very often, the money can be recovered and the successful rate is very high. Apart from recovering the contributions, we will also impose a 5% surcharge which may be regarded as a penalty on the employers and compensation to the employees who have suffered loss in investment return due to the employers' default. Very often, this will achieve a certain degree of effect.

With regard to some more serious cases such as employers who have defaulted on contributions for more than 12 months and those who have repeatedly defaulted on contributions, we have kept a record which enables us to know the seriousness of the problem of some particular employers. We will then impose financial penalties in the light of the circumstances to ensure that there is deterrent effect.

MISS TAM HEUNG-MAN (in Cantonese): *President, in the third paragraph of part (b) of the main reply, the Secretary said that the authorities could not institute criminal prosecution against employers who had breached the law due to a lack of sufficient evidence. In fact, how many cases are there in which criminal prosecution cannot be instituted because of insufficient evidence? I would like to know the seriousness of the situation.*

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): Madam President, we do not have any figures in this aspect.

According to the procedure mentioned by me in the main reply, the MPFA will decide whether there is sufficient evidence for instituting criminal

prosecution by examining the circumstances of individual cases. But we do not have any figures in this aspect. With Members' indulgence, I would like to ask the MPFA whether they have such figures. If they have, I will give a written reply later on. (Appendix III)

MR SIN CHUNG-KAI (in Cantonese): *President, my supplementary question is about part (b) of the Secretary's main reply. As the Secretary said in the main reply that the company directors will be prosecuted if evidence is sufficient, may I ask him whether the MPFA has the power to impose on these directors restriction on entry into and departure from Hong Kong or arrest them at the immigration control points? Does the MPFA have such power?*

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): According to my understanding, the MPFA does not have such power under the law. But I will seek clarification from the MPFA whether it has such power. (Appendix IV)

MS LI FUNG-YING (in Cantonese): *President, I would like to follow up Mr LAU Kong-wah's question just now. In fact, we find it intolerable that almost 10% of the employees can recover only part of the money in arrears or even cannot recover any. I consider such figure quite high. So, may I ask the Secretary whether the MPFA can provide any specific assistance to help these employees to recover all the money in arrears under section 45G of the MPFSO?*

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): Under the existing legislation, it is the employees who should claim the money in arrears from the employers. Whenever assistance is needed, the employees can certainly apply for legal aid to help them recover the money. And of course, the applicants should go through the means test and an examination of the merits of their cases.

Just now the Member mentioned the general situation of the MPFA recovering money in arrears from employers. According to the figures in the main reply, an improving trend could be seen in the past few years. Besides, in

the bill introduced to the Legislative Council concerning the amendment of the relevant legislation next year, we have requested that the penalty be increased. Apart from raising the maximum penalty for defaulting on MPF contributions to a fine of \$350,000 as I just said, we have also proposed that the fine be increased to \$450,000 if the employers have defaulted on contributions after receiving the employees' contributions. We hope that the deterrent effect will be enhanced by increasing the penalties under different circumstances.

MS LI FUNG-YING (in Cantonese): *President, the Secretary has not answered my supplementary question as to whether the MPFA will help employees recover the money under section 45G by offering concrete assistance?*

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): Ms LI, in fact, under the entire operation of the MPFA, various measures have been adopted to help employees recover from defaulting employers' money in arrears. As I said just now, there is an improving trend in default payments as reflected by the number of civil proceedings, penalties or the relevant figures.

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

MR WONG KWOK-HING (in Cantonese): *President, the prevailing problem is why the employers dare default on contributions which have accumulated to \$200 million in the past three years. The crux of the problem is precisely because of the statement "if there is sufficient evidence" made by the Secretary in the main reply and the requirement of sufficient evidence. The relevant evidence is the requirement that the employees concerned should come forward as witnesses in court and testify against the employers. However, the employees dare not testify or act as witnesses for fear that they may lose their jobs.*

So, may I, through the President, ask the Secretary whether he will review the so-called "evidence" so that prosecution can be instituted on the basis of information provided by the trustees showing that the employers have defaulted

on payments without the need of giving evidence by the employees? May I ask the Government whether it is possible to amend the law so as to perfect the procedure of abducing evidence and change the source of evidence?

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): Madam President, of course, if we institute criminal prosecution against defaulting employers, as we all know, the most important consideration of the Court is whether there is sufficient evidence. If no employee will give evidence in court, there may not be sufficient evidence and the standard of proof required by the Court for criminal prosecution is very high. We have to respect the judicial proceedings in this aspect.

At any rate, regarding the relationship between employees and employers, employees are often required to come forward and testify in order to meet the standard of proof. However, the MPFA has recommended to the Government that better protection be provided to the employees who have reported to the MPFA that their employers have violated the law. In this regard, the Government will follow up the recommendations with the Department of Justice and the MPFA together to see what action can be taken.

MR WONG KWOK-HING (in Cantonese): *President, the Secretary has not answered the part of my question about evidence, that is, whether prosecution can be instituted on the basis of information provided by the trustees about default payments by employers. He has not answered this part of my question.*

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): Madam President, the current practice of the MPFA is that it has to rely on the information provided by the trustees. Apart from the information of default payments by employers, the MPFA has to get a full picture of the case. Sometimes, it is really shown that there is insufficient information in some cases.

Regarding the burden of proof, relatively sufficient evidence is necessary before criminal prosecution can be instituted. In fact, as I said earlier, we have made a lot of efforts in various aspects and Members can see that such measures are effective by referring to the figures related to civil proceedings and financial penalties. Of course, we understand that it is necessary to criminalize the

offence in order to further enhance the deterrent effect. But as I just said, it is essential for employees to come forward and give evidence.

MR WONG KWOK-HING (in Cantonese): *President, the Secretary has not replied whether a review will be conducted.*

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

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): Madam President, I have nothing to add.

PRESIDENT (in Cantonese): Third question.

Boosting Local Manufacturing Industries

3. **DR LUI MING-WAH** (in Cantonese): *President, while the economy of Hong Kong has been growing strongly in recent years with the year-on-year growth of Gross Domestic Product standing at around 6%, the unemployment rate is still around 4% with an increasing number of low-income earners, and the polarization of the rich and the poor is increasingly serious. Regarding the development of the local manufacturing industries to ameliorate the aforesaid situation, will the Government inform this Council whether:*

- (a) *it has formulated any plan to revitalize the local manufacturing industries to make it a renewed pillar industry, so as to provide more job opportunities; if not, of the reasons for that; and*
- (b) *it has any plan to establish an independent industrial development council to spearhead and promote the development of the local manufacturing industries, provide services for the service industries operating outside Hong Kong, and to serve as an advisory body to be consulted by the Central Authorities on any enactment and amendment to legislation which concerns Hong Kong-owned factories on the Mainland; if not, of the reasons for that?*

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Cantonese): Madam President, Dr LUI Ming-wah asked whether the Government of the Hong Kong Special Administrative Region (SAR) will revitalize the local manufacturing industries. Let me explain one point — Hong Kong does have our own industries, including manufacturing industries. It is only that those labour-intensive factories back in the 1970s no longer exist. On the two parts of the question, my reply is as follows:

- (a) Given our basic fundamentals, low-skilled and low value-added production is no longer suitable for Hong Kong's current economic development. Over the past 20 years, many Hong Kong enterprises engaged in traditional industries have moved their operations to the Mainland. According to figures of Guangdong Province, there are currently 56 000 Hong Kong-owned factories operating in Guangdong alone, hiring over 10 million workers. From a macro perspective, this is an expansion of the coverage of Hong Kong's manufacturing industries. Although many enterprises have moved their production lines to the Mainland, they still keep their headquarters and support base in Hong Kong, thereby driving the growth of our services sector as well as the overall growth of the economy. The SAR Government will continue to provide support to these enterprises.

It is not possible for Hong Kong to backtrack. Local manufacturing industries must move towards high technology, high value-added and high intellectual property content. Accordingly, the SAR Government's industrial policy has been focusing on boosting the high value-added and knowledge-based industries. As a matter of fact, whether or not enterprises set up production plants in Hong Kong is entirely market-led. In the light of the zero-tariff preferential treatment under CEPA, and the market value of Hong Kong brands in the Mainland, there are manufacturers who set up production lines in Hong Kong to produce high-end brand name products. These include manufacturers of some well-known proprietary Chinese medicine and food products. The SAR Government will continue to provide support by maintaining an environment conducive to the development of high value-added and knowledge-based industries so that they could remain competitive in the market.

As regards employment, the services sector is now a major component of Hong Kong's economy, accounting for more than 90% of our Gross Domestic Product and employing some three million people. Apart from promoting financial services, creative industries and professional services, the SAR Government has also been capitalizing on our existing strengths to develop smoke-free industries, tourism in particular, with a view to providing more employment opportunities, especially in the sectors of food and beverage, retail, and transportation, for the low-skilled group.

- (b) To boost the development of local manufacturing and services industries, the Trade and Industry Department of the SAR Government is making every effort to support small and medium enterprises. A number of quasi-government organizations are also working on this front. For example, the Hong Kong Trade Development Council (HKTDC) assists Hong Kong companies to tap new market opportunities worldwide, and the Hong Kong Productivity Council (HKPC) provides comprehensive technical support across the value chain. The HKTDC and HKPC also conduct studies on individual manufacturing industries to explore development opportunities.

In addition, the SAR Government has been actively assisting Hong Kong enterprises which operate in the Mainland by providing them the latest information on mainland laws and regulations related to commerce and trade, conducting related consultation, and reflecting to the mainland authorities the views of the Hong Kong business community on the mainland business environment. Through mechanisms such as the CEPA Joint Steering Committee and the Hong Kong/Guangdong Co-operation Joint Conference, as well as our economic and trade offices in the Mainland, the SAR Government maintains close contact with the relevant mainland authorities at various levels to discuss economic and trade matters.

To help Hong Kong businessmen adapt to adjustments to the Mainland's policy on the processing trade, the SAR Government has set up the Task Force to Support the Processing Trade in July this year. The Task Force comprises representatives of industries and its terms of reference include relaying the industries' views and suggestions to the relevant mainland authorities.

As the above organizations and advisory bodies can already provide different services, support and consultation channels for the manufacturing industries, and to avoid duplication of resources, the SAR Government has no intention to establish a separate industrial development council at the moment.

Nevertheless, I would like to emphasize that not establishing an industrial development council does not mean that the Government attaches no importance to industrial development. We believe that it is more important to build up effective communication channels with the industries and provide timely support that meets their needs. We already have mechanisms in place for such purposes and our efforts towards this end will continue.

DR LUI MING-WAH (in Cantonese): *President, I wish to tell the Secretary that, sorry, he has not answered both parts of my question. Why? In the introduction of his reply, the Secretary explains that Hong Kong does have its own industries, including manufacturing industries. And according to government statistics, manufacturing industries account for 3% of Hong Kong's GDP. Can this justify the statement that Hong Kong does have its own industries? If all the enterprises owned by Hong Kong manufacturers in the Pearl River Delta (PRD) are also counted as Hong Kong industries, the situation will be even more inconceivable. Is the Secretary suggesting that all the Japanese-owned enterprises and American-owned enterprises in the Mainland should also be counted as the local industries of these countries?*

PRESIDENT (in Cantonese): Dr LUI Ming-wah, we are not conducting a motion debate. Please state your supplementary question.

DR LUI MING-WAH (in Cantonese): *President, if I do not mention all this, the Secretary will not understand what I am trying to say. (Laughter)*

Part (a) of my main question is on whether any plan has been formulated. Can the Government simply evade this question? It cannot. It may of course answer that there is no plan and it will not do anything, but if it does not answer that way, the Secretary must tell us that there are plans. In that case, I hope that he can tell us something about these plans.

PRESIDENT (in Cantonese): Dr LUI, what is your supplementary question?

DR LUI MING-WAH (in Cantonese): *My question is on whether there is any plan. The Secretary has not offered any answer. The second point to which the Secretary has not responded is about his saying that problems relating to industries are already taken care of by the HKTDC and the HKPC. Is he saying that the Secretary for Financial Services and the Treasury can in fact take up the work of the Secretary for Commerce and Economic Development? Is this logical at all? No.*

PRESIDENT (in Cantonese): Dr LUI, please be seated. You have already stated your supplementary question, asking whether the Government has any plan. As for the other parts you have mentioned, they are just your personal opinions. I will not ask the Secretary to respond to them. But if he wants to, he may do so. Secretary, please reply.

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Cantonese): As stated in my reply to Dr LUI's question, Hong Kong does have its own industries, only that there are no longer any factories here. Many factories have been relocated to the Mainland. Most factory proprietors in the Mainland are Hong Kong residents. Hong Kong manufacturers have established some 50 000 factories in the Mainland. Talking about the development of manufacturing industries and factories in Hong Kong As already stated in my main reply, given the present cost levels in Hong Kong, if we develop some relatively low-tech manufacturing industries such as the toy industry (I do not know what kinds of industries Dr LUI wants to develop), we will simply fail to compete with others in terms of cost efficiency. In this regard, the Government's thinking is actually similar to that of the industrial sector. Both the Government and the industrial sector think that support services should be based in Hong Kong. For example, all the financial affairs of enterprises, product design and sales, plus logistics support, should be handled in Hong Kong. But their workers are all in the PRD. At the same time, we must embark on the development of high value-added and high-tech industries.

Dr LUI's main question also mentions an increasing number of low-income earners, expressing his concern about the polarization of the rich and poor. In view of this, I emphasized in the main reply that the Government has been making strenuous efforts to develop certain types of industries, such as the tourism industry, because these industries can create many employment opportunities for low-income earners. It can thus be seen that the Government has paid attention to all the issues mentioned by Dr LUI.

DR LUI MING-WAH (in Cantonese): *The Secretary has not answered one question. He says that more employment opportunities can be provided. But if factories are all established in the PRD, how can they provide the middle and lower strata in Hong Kong with any employment opportunities?*

PRESIDENT (in Cantonese): Dr LUI Ming-wah, this is not part of your original supplementary question. Since follow-up questions must be based on supplementary questions, I cannot allow you to ask this particular question. You may press the button and wait for another turn.

MR ANDREW LEUNG (in Cantonese): *The Secretary refers to local manufacturing industries in part (a) of the main reply — very carefully, he tries to put manufacturing industries, industries and factories in different perspectives — saying, "Local manufacturing industries move towards high technology, high value-added and high intellectual property content". May I ask the Government whether it has any support measures, plans and policies to induce Hong Kong businesses to set up factories in Hong Kong and to attract talents? I ask this question because it now takes a very long time to complete the processing of applications.*

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Cantonese): In regard to technology, through the Hong Kong Science and Technology Parks Corporation (HKSTPC), "one-stop" infrastructure support services are provided to technology-based companies. Regarding talents, we have also put in place many support measures to attract professional talents. During the policy debate, the Secretary for Security already offered an account to Members.

I may still add a few words here. Apart from hardware facilities such as the HKSTPC and the Cyberport, there are many other forms of assistance provided by the HKPC to high-tech and high value-added industries. I wish to point out that the Government has been doing its utmost to attract investments in high-tech industries. What Hong Kong needs may no longer be the kind of low-skilled workers mentioned by Dr LUI just now. As I have already explained, the economic structure of Hong Kong has already changed. The Government can no longer dictate the course of development, and all is now led by the market itself. Over the past 20 years, the structure of the entire economy has changed drastically. It is not true to say that the Government has not paid any attention to low-skilled workers, only that it has been trying to look after them in a different way, including the development of the tourism industry as mentioned by me.

DR RAYMOND HO (in Cantonese): *The Secretary mentioned just now that even though there are no factories in Hong Kong, it is not devoid of industries. Sometime ago, the Government proposed the development of Hong Kong into a centre of Chinese medicine and innovative technologies. Several years has since passed. What active steps has the Government been taking to support the creation of Hong Kong brands in fields such as nanotechnology, semiconductors and biotechnology.*

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Cantonese): In the Hong Kong Applied Science and Technology Research Institute Company Limited (ASTRI) and other organizations, there are many research and development centres (R&D centres), and their applied research projects cover automobile parts, information and communications technologies, logistics and supply chain management, nanotechnology and advanced materials, textile and garment manufacturing, and so on. Through co-operation with the industries concerned, these R&D centres have been engaged in various applied research projects. The Government also hopes that they can achieve breakthroughs. Besides, we have also been co-operating with Shenzhen in many aspects. For example, Hong Kong now plans to set up a Shenzhen-Hong Kong Innovation Circle, which will pool together technological talents from both Hong Kong and Shenzhen. Some of our universities have also set up research centres in Shenzhen, yielding results of very high application value in some cases. This means that the results can be applied to actual goods production and

service delivery. We have been making efforts in this direction. It is hoped that our research and development efforts can further upgrade Hong Kong's high value-added industries.

DR LUI MING-WAH (in Cantonese): *I have one more question for the Secretary. According to him, while there are no factories in Hong Kong, Hong Kong does have its own industries. Does he mean that all those manufacturing industries in the PRD should also be counted as Hong Kong manufacturing industries? Should the manufacturing industries in Shanghai and Beijing also be counted as Hong Kong manufacturing industries? If yes, should the Japanese-owned factories in China also be counted as Japanese manufacturing industries? Secretary, what is your answer to these questions?*

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Cantonese): My answer is that the proprietors of these factories are Hong Kong residents and they must consider how to develop their business. In many cases, their support services are based in Hong Kong. This does not mean that the workers in the PRD and the Yangtze River Delta mentioned by Dr LUI just now are all Hong Kong workers. They are just the employees of their employers. But as all these employers are able to expand their business, they must expand their bases of support in Hong Kong. This will mean good contribution to the Hong Kong economy. As Members must be aware, when they manage to make profits, they may invest in Hong Kong's financial and property markets, thus leading to knock-on effects in the economy.

I believe Dr LUI will also understand that for reasons of cost efficiency, we cannot possibly return to the path of developing industries of low technology content. Frankly speaking, as mentioned in my main reply, all is now market-led. As I have mentioned, currently, following the implementation of CEPA, some manufacturers in the market have started to realize that if they move their production lines back to Hong Kong, they will be able to enjoy zero-tariff while enhancing the reputation of their products as Hong Kong brands. That is why many of them have returned to Hong Kong and they have also achieved very good results. Therefore, the Government does not always have to say that this or that kind of industries must be developed in Hong Kong. I have always wanted Dr LUI to understand this point.

DR LUI MING-WAH (in Cantonese): *My question is: If those factories owned by Hong Kong residents in the PRD are considered Hong Kong enterprises, should we also say that those factories owned by Hong Kong residents in Shanghai, Beijing, Japan or other places are also Hong Kong manufacturing industries?*

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

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Cantonese): I only wish to explain that those people are the proprietors of the factories concerned, but statistically, those workers cannot be regarded as Hong Kong manufacturing workers.

PRESIDENT (in Cantonese): Fourth question.

Designation of Public Transport Exchanges as No Smoking Areas

4. **MR ANDREW CHENG** (in Cantonese): *During the scrutiny of the Smoking (Public Health) (Amendment) Bill 2005 (the Bill) by this Council last year, the Government accepted my relevant suggestion and decided to empower the Director of Health to designate public transport interchanges (PTIs) as statutory no smoking areas. However, the Government proposed that the initiative would not be implemented until it had completed its work on setting up a fixed penalty system for smoking offence in 12 to 15 months' time following the enactment of the Bill. In this connection, will the Government inform this Council:*

- (a) *given that 13 months have lapsed since the enactment of the Bill, when the Director of Health will designate PTIs as no smoking areas;*
- (b) *of the latest progress of the Government's work to demarcate the boundaries of no smoking areas in PTIs, and the respective situations in respect of the PTIs in covered premises and in the open air; and*

- (c) *whether it will introduce into this Council a bill on setting up a fixed penalty system for smoking offence within 2007; if not, of the reasons for that?*

SECRETARY FOR FOOD AND HEALTH (in Cantonese): Madam President, I would like to provide a consolidated reply to the question raised by Mr Andrew CHENG as follows.

During the committee stage of the Bill, we reached a consensus with the Bills Committee to incorporate a provision into the legislation empowering the Director of Health to designate PTIs as statutory no smoking areas.

As I explained at the resumption of the Second Reading debate on the Bill, in view of the varying designs of PTIs, the designation of a no smoking area in every PTI will require the support of additional resources and manpower. In accordance with the priorities of resource utilization, we will first introduce a fixed penalty system for smoking offences before designating no smoking areas in PTIs. The arrangement was also accepted by the Bills Committee.

Our current priority is to prepare for introducing a fixed penalty system for smoking offences. We have just completed the consultation with the District Councils on the proposal and the drafting of the principal legislation is well underway. With the present work progress, we expect to introduce a bill to the Legislative Council for scrutiny by early 2008. At the same time, the Department of Health is also working with other relevant government departments and the Judiciary to examine and formulate necessary practical procedures and an information system for the fixed penalty system to support the issuance of fixed penalty notices and other relevant follow-up actions. We expect that the practical arrangements to support the fixed penalty system will be put in place around 10 months after the enactment of the principal legislation.

Depending on the progress of legislation and the successful implementation of the support arrangement, we are currently aiming to put the fixed penalty system into operation in 2009. We also plan to take forward the designation of PTIs as statutory no smoking areas after the implementation of the fixed penalty system. Our initial plan is to first designate covered PTIs as statutory no smoking areas. Designation of open PTIs as statutory no smoking areas will be considered in the next stage.

MR ANDREW CHENG (in Cantonese): *President, from the reply of the Secretary and our scrutiny work in the past, we now have the impression that the bill on the fixed penalty system will be introduced only at a time later than we expected. According to the Secretary's reply, a total smoking ban will be implemented at bus terminals or PTIs only in 2010. My supplementary question is: The second-hand smoke which affects customers dining in indoor restaurants actually exists also at bus terminals, and many people in bus queues are also exposed to second-hand smoke. Does the Secretary think that the Government should adopt a two-pronged approach in the next four years by imposing a fixed penalty on the one hand and expedite the designation of bus terminals and PTIs as no smoking areas on the other, so that passengers in bus queues will not be continuously exposed to second-hand smoke because the delayed implementation of the fixed penalty system? In fact, the Government can still resolve the problem by way of summons in these few years, so as to spare passengers waiting in bus queues the health hazards of passive smoking.*

SECRETARY FOR FOOD AND HEALTH (in Cantonese): *Madam President, I remember that as I mentioned during the scrutiny of the legislative, the no smoking areas will be extended in a gradual and orderly manner. At that time we agreed to do it step by step. In respect of law enforcement, we consider the introduction of a fixed penalty system most convenient and effective. For this reason, a fixed penalty system should be put in place before extending the no smoking areas to cover PTIs. I think many Members also agreed on this at the time. So, we are working in accordance with this process. Certainly, Members will understand that we hope to achieve as soon as possible the objective of gradually reducing the health hazards of second-hand smoke to Hong Kong people. Since the new anti-smoking legislation came into effect in January, members of the public have been very co-operative, as steps have been taken to impose a smoking ban in accordance with the law in many public places, and even open-air public places. So, I think the public has gradually accepted this direction, and we also have to enhance the relevant measures step by step. I hope Members will understand that we have all along been working in this direction. Although a lot of work has yet been completed, I hope Members will understand that those exempted places will eventually be designated as no smoking areas.*

MR ANDREW CHENG (in Cantonese): *President, the Secretary did not tell us why the "two-pronged approach" could not be adopted as a principle.*

SECRETARY FOR FOOD AND HEALTH (in Cantonese): Madam President, I remember that in the Bills Committee we had discussed the point that it would be best to put in place a fixed penalty system before the designation of PTIs as no smoking areas, in order to facilitate law enforcement. I think it is not that easy to do what the Member suggested because in places with busy crowd movements, it is not easy to gather evidence and enforce the law.

MR TOMMY CHEUNG (in Cantonese): *In the last part of the main reply the Secretary mentioned covered PTIs, while Mr Andrew CHENG mentioned bus terminals earlier on. In fact, there are a few kinds of covered PTIs. For example, the bus stop outside the Legislative Council Building is also a PTI because bus passengers can interchange there, and as there is a small canopy over it, and so it has a cover. I would like to ask the Secretary this: With regard to the covered PTIs mentioned in his main reply, does he refer to those places without any cover at all, or do those places with a small canopy be also considered as covered PTIs?*

SECRETARY FOR FOOD AND HEALTH (in Cantonese): Madam President, I remember that we said during the discussion that those open spaces under the buildings that are used as bus terminals will be considered as "covered". But for bus stops with only something extended from the top to provide cover for the passengers, they are not considered as "covered".

DR YEUNG SUM (in Cantonese): *Madam President, air circulation is poor at covered PTIs. There is indeed great urgency to impose a smoking ban there, and the Government has also undertaken to accord priority to this area of work. There are only 100 covered areas designated as statutory no smoking areas in Hong Kong. When will the Government start planning the demarcation work, what is the manpower required, and when will it seek funding approval from the Finance Committee?*

SECRETARY FOR FOOD AND HEALTH (in Cantonese): Madam President, the Department of Health is working with other relevant departments, such as the relevant transport authorities, to look into the work concerning PTIs.

Certainly, we will first complete the work on fixed penalty and the computer system for implementing the fixed penalty system. Meanwhile, we will also study how each PTI in various districts should be handled, and we will consult the relevant District Councils as to whether they support our proposal.

About resources, Madam President, I am sorry that I do not have the relevant statistics for the time being. But since this is such an important and meaningful issue, I think Members will give us their support.

DR KWOK KA-KI (in Cantonese): *Madam President, I think it is the wish of the majority Hong Kong public to ban smoking and promote a smoking ban in indoor areas, and the problem is how we can achieve these objectives. In his main reply the Secretary mentioned that the designation of no smoking areas will require the support of additional resources and manpower. I remember that during our discussion in the Bills Committee, the representatives of the Transport Department said that although additional work would be involved, it would not be too difficult technically. How much does it cost to provide the additional resources and manpower as mentioned by the Secretary, and why can the Government not provide these resources and manpower even when it has such a huge fiscal surplus now?*

SECRETARY FOR FOOD AND HEALTH (in Cantonese): Madam President, I think it will not require many resources, but we must follow the procedures, especially in setting up a fixed penalty system. From the issuance of fixed penalty tickets to the entire computer system and also the arrangements to provide support to the Court, such as the systems for prosecution and collection of penalty, certain procedures must be completed, and some of the procedures can be activated only after the inclusion of some provisions in the legislation. This is why we think that the relevant arrangements can be put in place around 10 months after the enactment of the bill.

DR KWOK KA-KI (in Cantonese): *The Secretary did not answer the part on the designation of PTIs as no smoking areas and my supplementary question is about this part. Can the Secretary answer this part again?*

SECRETARY FOR FOOD AND HEALTH (in Cantonese): Madam President, I do not have the information on the resources required for this area of work for the time being, and we also have to provide support to and work with the relevant staff of various Policy Bureaux and departments. As I said earlier, the amount involved should be within our affordability.

DR KWOK KA-KI (in Cantonese): *Can the Secretary provide in writing the amount of additional resources required after this meeting?*

PRESIDENT (in Cantonese): Secretary, it seems you do not have the figures, do you?

SECRETARY FOR FOOD AND HEALTH (in Cantonese): I am currently working on it. As to when the figures can be worked out, I cannot give Members a definite answer for the time being. I think after the bill is tabled, this should be one of the topics to be discussed by the Bills Committee.

MR ANDREW CHENG (in Cantonese): *I would like to follow up a point that I made when I spoke for the first time. The bill on fixed penalty and its implementation will be ready at a time later than the impression that we got from the Government in the Bills Committee back then. It is because according to the Secretary's reply now, the fixed penalty system will come into operation only in 2009, but when the principal legislation on the smoking ban took effect in October 2006, we expected that the bill could be introduced a year or so later to give effect to the fixed penalty system. But now, the Secretary is saying that the computer system can be completed only 10 months after the enactment of the principal legislation.*

President, since the Secretary said that not too many additional resources would be required, can he expedite the setting up of a fixed penalty system and in other words, expeditiously solve the problem of the public being exposed to second-hand smoke at bus terminals and covered PTIs?

SECRETARY FOR FOOD AND HEALTH (in Cantonese): Madam President, I agree with what Mr Andrew CHENG has said. I think we all hope to do it as

soon as possible. I remember that when Mr Andrew CHENG was the Chairman of the Bills Committee, he said to the effect that the Administration had proposed to defer this initiative to 12 to 15 months after the enactment of the Bill when all the work relating to setting up a fixed penalty system for smoking offence was completed. So, this is entirely consistent with my earlier reply.

MR ANDREW CHENG (in Cantonese): *President, I very much thank the Secretary for reminding me of the discussion of the Bills Committee at that time. But our view is that, like the handling of "litter bugs", we consider it undesirable to defer the implementation of the fixed penalty system for so long. We agreed to proceed with the relevant work only after completing the work on the computer system or the bill on fixed penalty for smoking offence. But under the present arrangement, this system and the bill on fixed penalty will be introduced more than a year later than our expectation and understanding at that time. In other words, it has been delayed over and over again. This is my supplementary question.*

SECRETARY FOR FOOD AND HEALTH (in Cantonese): Madam President, I do not think that I can have anything to add, because Mr CHENG's understanding may be a bit different from ours.

MR ANDREW CHENG (in Cantonese): *If nobody wishes to ask a question, can I ask another question?*

PRESIDENT (in Cantonese): You may ask another supplementary question.

MR ANDREW CHENG (in Cantonese): *Yes. President, I do not think that the Secretary is unable to add anything, because I have listened very carefully to his oral reply earlier and he said that the relevant work will not require many additional resources. With regard to what happened in the past or what we said in the Bills Committee, let us not dwell on it anymore as it is very difficult to pursue further. But what the Secretary said today has given us the impression that the progress of setting up a fixed penalty system is indeed slower than we expected at the time. In view of this, is it not better to provide more resources for the advance work and drafting of the bill, and even "walk on two legs" by*

expeditiously ordering the demarcation of the boundaries of no smoking areas at PTIs, so that once the fixed penalty system is put in place, actions can be immediately taken to designate bus terminals and PTIs as no smoking areas? This is absolutely feasible. Can the Secretary give us an undertaking in this respect?

SECRETARY FOR FOOD AND HEALTH (in Cantonese): Madam President, perhaps let me explain this again. We are in the course of carrying out the advance work. In the meantime, the so-called bottleneck lies not in the demarcation of boundaries, but the computer software, programming work, system trials and modifications, and training of the relevant personnel for implementing the fixed penalty system. These can be done in detail only after the enactment of the legislation, and we expect to take about 10 months.

PRESIDENT (in Cantonese): Fifth question.

Monitoring Contractors in Carrying out Building Inspection Works for Public Housing Estates

5. **MR CHAN KAM-LAM** (in Cantonese): *President, it has been reported that the contractor carrying out inspection works for Chung On Estate was recently found to have poked iron bars into the holes on the external walls of the buildings, intending to fake the exposure of reinforcement steel so as to defraud fees on maintenance works. In this connection, will the Government inform this Council whether:*

- (a) *it has discovered similar cases in the inspection works carried out in other public housing estates;*
- (b) *it will comprehensively review all the works undertaken or being undertaken by the contractor to see if any fraudulent acts have taken place; and*
- (c) *it will impose heavier penalties on defrauding contractors as a warning to others?*

SECRETARY FOR THE ENVIRONMENT (in the absence of Secretary for Transport and Housing) (in Cantonese): Madam President, Honourable Members, to prepare for the external wall re-decoration works for Ma On Shan Chung On Estate in early 2008, it is necessary to carry out external wall maintenance works for all the buildings of the Estate. The Sha Tin district term contract maintenance contractor (the contractor) is responsible for the maintenance works, while the property management company (the management company) engaged by the Housing Department (HD) is responsible for supervising the maintenance works, including examining the external walls to ascertain the scope of the maintenance works, approving materials to be used, conducting procedure supervision and acceptance inspection, and so on. The HD has put in place detailed guidelines and procedures for the strict compliance and execution by the management company, in order to ensure the quality of the maintenance works.

According to the plan, the contractor commenced the external wall maintenance works at the end of October 2007 for completion in January 2008. At 3 pm on 3 November 2007, the management company received a report from residents of Chung On Estate, and found that workers of the contractor had, in the absence of the management company's consent and supervision, conducted external wall maintenance works on their own and without reason, poked steel rods into the excavated external walls. As the incident may involve an attempt to defraud the HD of works fees, the HD and the management company have referred the case to the police on 7 November 2007 for investigation and follow-up actions.

My brief reply to several parts of the question raised by Mr CHAN Kam-lam is as follows:

- (a) According to the HD's information, similar incidents have not been found in other housing estates in the territory during the same period. Therefore, this incident is the first of its kind in Hong Kong.
- (b) The HD has immediately stopped the external wall maintenance works undertaken by the contractor in Chung On Estate and asked the contractor and the management company to submit reports to fully explain the incident.

Moreover, the HD has set up an investigation team to check the information regarding other completed external wall inspection works undertaken by the contractor in Chung On Estate. The team will also review the external wall maintenance works records, list of registered workers, works expenses, and so on, in relation to the previous HD contracts undertaken by the contractor, to ascertain whether similar incidents have occurred. If it is established that there have been cases of non-compliance, the HD will take appropriate disciplinary actions. We will request the police to take follow-up actions if criminal offences are involved.

- (c) The HD has put in place a well-established system to penalize works contractors in case of non-compliance with regulations. The penalties for their improper conduct may include suspension from tendering, termination of works contracts and removal from the HD List of Building Contractors, and so on. Cases suspected of involving criminal conduct or corruption will be promptly reported to the police or the Independent Commission Against Corruption (ICAC) for follow-up.

In this case, the contractor has been suspended by the HD from tendering for building works until the investigation is completed, and the relevant information has also been referred to the police for investigation in the hope that an outcome will be made available shortly.

MR CHAN KAM-LAM (in Cantonese): *President, as the standards of performance of maintenance contractors vary greatly, poor performers should doubtless be penalized.*

However, it was clearly pointed by the Secretary in the second paragraph of the main reply that the case involving the contractor was brought to light only after the management company had received a report from residents. Yet the Secretary also pointed out in the first paragraph of the main reply that the HD had put in place detailed supervisory guidelines and procedures. Will the Government review whether the contractor, in undertaking works, and the management company, in the course of supervision, have acted in compliance with the law, and if the guidelines and procedures are problematic such that contractors are given a chance to exploit the loopholes?

SECRETARY FOR THE ENVIRONMENT (in Cantonese): Madam President, I would like to thank Mr CHAN Kam-lam for his question.

As was stated by me in the main reply, the maintenance works carried out in housing estates at present involve two levels of work. On the one hand, contractors are responsible for carrying out works in accordance with the tenders. On their successful bidding, they were required to state clearly that they would submit information on their contracts, scope of maintenance, and so on, and submit a report upon the completion of works.

On the other hand, in order to carry out supervision, the HD will assign its own staff or management companies in certain districts to supervise the works to let contractors know that, even though they have been awarded the works, supervision will still be carried out by the management companies or the HD.

This incident was certainly discovered by the residents in the first instance. This is a good thing. It is good that residents should report to the HD or management companies should they find any maintenance works carried out in their housing estates exceed a certain scope or have reasonable doubt that problems will occur. We learnt from the information provided by the HD that the management company had dealt with the problem immediately after it had received the complaint from the residents. Actually, shortly before the occurrence of this incident, the management company had received similar complaints and advised the contractor. I believe this system, coupled with the imposition of penalties after cases of non-compliance are found, as I explained earlier, can ensure compliance by contractors.

We have looked up the records and found that no similar cases, namely exaggerating the scope of maintenance, poking steel rods, and so on, have never occurred before. Certainly, we learn from our mistakes. I believe both the residents and management companies will keep such incidents in view, and our supervisory work will continue.

MR LEE WING-TAT (in Cantonese): *President, this incident reflects that we can see the world in a drop of water. As Members are aware, after the occurrence of the substandard piling works incident in 2000, the Chairman of the Housing Authority (HA) undertook to this Council that supervision of all works would be strengthened. I think both the Secretary and the Director, who is*

present here, are aware that the HA spends \$2 billion to \$2.5 billion per annum on maintenance works. At present, many places are briefed out to management companies. Actually, under the existing system, has the HA conducted any random checks? If not, the management companies will lack the incentive to strengthen supervision. The Secretary said earlier that other examples had not been found. However, the examples might not necessarily be related to steel rods. Yet, extra expenses might be incurred as a result of exaggerating the scope of maintenance and lengthening the period of maintenance. In this connection, may I ask whether the Government has made any improvements to address this?

SECRETARY FOR THE ENVIRONMENT (in Cantonese): Madam President, I would like to thank Mr LEE Wing-tat for his question. He might be more familiar with maintenance supervision than me.

Actually, in addition to the two mechanisms mentioned by me earlier, the HD has an independent vetting team, comprising a Chief Technical Officer and a Senior Clerk of Works, to conduct spot checks and vetting of maintenance and repair procedures and documents quarterly. This is what I meant by the extra work carried out in addition to that by management companies.

Insofar as the maintenance of external walls is concerned, under the HA's system, when the cumulative amount of spalling concrete from external walls has reached a certain level, the HA will appoint an independent material laboratory to carry out a random inspection of concrete to ensure the materials and craftsmanship are up to standard in terms of quantity and quality. In brief, this is the so-called QC system.

Early this year, the HA included additional clauses in new management contracts stipulating that field surveys should be carried out by independent quantity surveying companies engaged by the HA to check the quantity of works specified in the contracts to minimize the occurrence of unnecessary disputes or risks in future. The HA will strive to have these measures and clauses extended to cover other management contracts too.

To complement the HA's policy of outsourcing management of housing estates, the Corruption Prevention Department of the ICAC was invited by the HD to give advice on the vetting of contractors, including the provision of guidelines on, for instance, the requirement of taking clear photographs in the

course of works to show the progress of works. Furthermore, a well-established spot check system, as mentioned by Mr LEE Wing-tat earlier, is also in place to establish the frequency of inspections. It can thus be seen that we do not rely solely on contractors or management companies. Furthermore, we have also imposed a time limit for the possessing and verification of payment applications. Therefore, generally speaking, we are greatly concerned about supervision in this regard. We have also put in place a system in the hope that such incidents can be identified and minimized early.

MR LAU KONG-WAH (in Cantonese): *President, as I was present at the scene when the incident occurred, I have a relatively clear understanding of the case.*

The Secretary stated in part (b) of the main reply that, if it is established that there have been cases of non-compliance, the police will be requested to take follow-up actions if necessary. However, during our discussion with the HA, we were told that the HA had already reported the case to the police. Why did the Secretary not tell us the police will be requested to take follow-up actions if necessary until today? Can the Secretary clarify this point?

Have any supervisory problems been found after the completion of the investigation by the police and the HA? Furthermore, the works for several buildings have already been completed. Are there any cases in which similar practices have been used and payments made? How many defraud cases of this kind have been reported?

SECRETARY FOR THE ENVIRONMENT (in Cantonese): Madam President, I would like to thank Mr LAU for his question.

With respect to this incident, as pointed out by me earlier in the main reply, the HA had reported to the police since defraud was suspected during the investigation, and the case had been referred to the police for actions.

Insofar as the system is concerned, once problems are found in the course of maintenance — some might possibly be maintenance or supervisory problems — they will certainly be dealt with by the HA or the appointed management company under the existing system if no criminality is involved. However, any incidents (such as the Chung On Estate incident) suspected of involving criminal

acts or corruption will be promptly referred to the police or the ICAC for actions.

The other supplementary question raised by Mr LAU was whether we had reviewed other works carried out by the contractor after the incident had come to light. My answer is "yes". I have already mentioned this in the main reply.

MISS TAM HEUNG-MAN (in Cantonese): *Madam President, although the Secretary stated in part (c) of the main reply that the HA has put in place a well-established system to penalize those works contractors, the problem is still very serious. Has the Secretary reviewed the existing system to examine if it is capable of preventing the recurrence of similar defraud practices?*

SECRETARY FOR THE ENVIRONMENT (in Cantonese): As I said earlier, under the existing system, besides giving approval for contractors to carry out works, we certainly still have a supervisory system operated by management companies. As also mentioned by me earlier in replying to Mr LEE Wing-tat's question, extra random inspections will be conducted by the HA as well.

We can see that this incident is quite special as it is not known whether intent of defraud is involved, and so it has to be referred to the police for actions. Nevertheless, if we review the whole system, we will find that the system is in existence and operating, with the residents making a report, the management company taking part in the investigation, and the case having been referred to the police subsequently. In our opinion, the system is basically reasonable. Of course, if this incident reflects, in any way, further room for improvement, I think the Government and the HA are obliged to make continuous improvements.

MR LEE WING-TAT (in Cantonese): *President, under the outsourcing system, HD offices are no longer set up in the vast majority of housing estates. In other words, management companies have replaced the HD as the front-line supervisory organs responsible for supervising the maintenance and repair works carried out in districts.*

My supplementary question is: What is the scope and frequency of the investigation carried out by the Independent Checking Unit? Though this incident is quite outrageous, in an incident occurred in Sha Tin, a whole panel of white tiles in a housing estate collapsed, which was evidently attributed to substandard works quality. However, the incident was also first discovered by residents before a report was made. We can therefore see that such incidents have occurred repeatedly. May I ask whether the Secretary or the HD is still confident in the efficiency and effectiveness of management companies, as an intermediary, in supervising front-line works?

SECRETARY FOR THE ENVIRONMENT (in Cantonese): Madam President, I would like to thank Mr LEE for his question.

Earlier I mentioned that, apart from management companies, the HD will also conduct monthly reviews, that is, quality inspection as stated by Honourable Members. Each month, the HD will go to the management companies to conduct reviews to examine the performance, maintenance and repair works supervision, and even the documents and information of these management companies.

Upon the completion of works, maintenance contractors must submit the relevant reports, photographs, receipts and documents to management companies for onward transmission to the HD for random verification before payments will be made by the HD for works expenses. I believe Members can see that, under such circumstances, there is already supervision of different degrees. This incident, which is still under investigation, reflects that besides supervision by the HA or management companies, public participation also plays a very important role.

Mr LEE Wing-tat raised this question earlier: What is the role of management companies under the existing system? Actually, a management company, after being appointed by the HA, is obligated to carry out supervision, just as the supervision is carried out by the HA itself. However, we do not rely solely on the management company, as in addition to the management company, there is actually still another level of random checks. With the participation of the residents and the lesson drawn from this incident, I believe the system should be capable of effectively coping with the existing problem.

MR LEE WING-TAT (in Cantonese): *I would like to ask about some specific information. Actually, what is the frequency of the random checks carried out by the Transport and Housing Bureau or the HA to evaluate the supervisory performance of management companies? I would like to obtain information on this.*

SECRETARY FOR THE ENVIRONMENT (in Cantonese): Madam President, according to the information provided to me by the HA, monthly random checks of around 5% will be conducted.

PRESIDENT (in Cantonese): We have spent 17 minutes on this question. Last supplementary question.

MR LAU KONG-WAH (in Cantonese): *Under the existing system, inspection and maintenance are carried out by the same workers. As they come from the same company, and given that "the more they work the more they earn", there is a great incentive for them to rig the inspection. Hence, will the Secretary consider altering this system after learning lessons from this incident?*

SECRETARY FOR THE ENVIRONMENT (in Cantonese): Madam President, as far as I understand it, contractors and management companies are independent of one another. Certainly, we are also aware that contractors' contracts are now awarded according to districts, and a certain degree of flexibility will probably be allowed in the light of different requirements of works. However, as pointed out by me in my earlier reply, according to the existing supervisory and review procedures, adequate evidence and information must be provided by contractors. This is what we meant by our acceptance of the advice given by the ICAC early in the process. For instance, during the vetting of the scope of works, contractors are required to provide some concrete evidence, like photographs, data, details of works, and so on, to prove the need for maintenance. Under the existing contracts, supervision in this respect and in other areas as mentioned by me earlier is effected. Therefore, judging from the present circumstances, the existing practice is still proven.

MR LAU KONG-WAH (in Cantonese): *The Secretary has slightly misunderstood me. I was not referring to contractors and management companies, for they are definitely independent of one another. However, contractors are responsible for inspection. As the larger the scope of inspection is, the larger the scope of maintenance will be, and more maintenance fees will thus be charged. They are the same people, coming from the same company. This will give rise to conflicts as well as incentives. This is why I asked the Secretary whether he would consider altering this practice in the light of this problem.*

SECRETARY FOR THE ENVIRONMENT (in Cantonese): Madam President, I have already mentioned in my earlier reply that extra random inspections will be conducted if the scope of maintenance is too large.

At present, however, different supervision is carried out by the HA at different stages of work. For instance, the guidelines require that the three items of works, namely maintenance positioning, half-way hammering and removal of rust, and up to the completion of works, must be recorded in detail by way of photographing and recording. In other words, contractors cannot do as much or as little as they prefer. They must provide relevant information for verification by the staff responsible for the relevant works before proceeding to the next work procedure, and they are also subject to supervision by management companies or the HA. Hence, even though contractors can exercise flexibility in maintenance, they cannot do as much or as little as they prefer arbitrarily.

As also pointed out by me earlier, the incident was initially discovered by the residents who found the scope of maintenance probably too large, and an attempt was made by the management company to stop the contractor. Therefore, supervision is already built into the system itself.

PRESIDENT (in Cantonese): Last oral question.

Fare Reduction for Students After Rail Merger

6. MR LAU WONG-FAT (in Cantonese): *The MTR Corporation Limited (MTRCL) has recently revealed that, upon the merger of the Mass Transit*

Railway (MTR) and Kowloon-Canton Railway (KCR) systems next month, the 50% discount on student fares currently provided by MTR will not be extended to the original KCR lines, and students travelling on the original East Rail, West Rail and Ma On Shan Rail networks will have to pay full fares. As it is expected that the potential property developments along the KCR lines and the high patronage of the KCR lines by mainland visitors under the Individual Visit Scheme will generate substantial revenue for the post-merger MTRCL, will the Government inform this Council whether it knows the data used by the relevant authorities in their calculation and in arriving at the conclusion that with the offer of the general fare reductions as originally pledged, the synergies arising from the merger do not allow further room for providing a 50% discount on fares for students travelling on KCR?

SECRETARY FOR THE ENVIRONMENT (in the absence of the Secretary for Transport and Housing) (in Cantonese): President, under the fare reduction package for the rail merger, students travelling with a Student Personalized Octopus will continue to enjoy the existing student fare concession when travelling on six specified railway lines on the MTR network, *viz.* the Kwun Tong Line, Tsuen Wan Line, Island Line, Tung Chung Line, Tseung Kwan O Line and Disneyland Resort Line. They will also enjoy the fare reduction for Adult Octopus as part of the rail merger package when travelling on the KCR network, including the East Rail Line, West Rail Line and Ma On Shan Line, that is, there will be a minimum of 10% fare reduction for journeys charging fares at \$12 or above, a minimum of 5% fare reduction for journeys charging fares between \$8.5 and \$11.9, and a global fare reduction of \$0.2 for other journeys. Students travelling with a Student Personalized Octopus will also benefit from abolition of second boarding charge when they interchange at the Kowloon Tong Station, Mei Foo Station, Nam Cheong Station, Tsim Sha Tsui Station and East Tsim Sha Tsui Station.

The MTRCL announced on 22 November its new fare tables which will take effect upon the rail merger. In overall terms, passengers travelling with a Student Octopus can also enjoy substantial fare reduction. For instance, students interchanging between the KCR and MTR systems for a journey between Sha Tin and Kwun Tong will have their student fare reduced from \$8 to \$6, representing a reduction of 25%. Student fare for a journey between Ma On Shan and Yau Ma Tei will be reduced from \$10.6 to \$7.1, representing a reduction of more than 30%.

Under the financial terms for the rail merger, the MTRCL will pay an upfront payment of \$4.25 billion and fixed annual payments of \$750 million to the Kowloon-Canton Railway Corporation (KCRC) throughout the concession period and variable annual payments based on actual revenues generated from operation of the KCR system starting from the fourth year of the rail merger according to agreed terms. The relevant financial terms have taken into account the estimated future growth in passengers travelling on the KCR system. As regards the KCRC property package, it is sold to the MTRCL on market terms. The price of the property package is confirmed to be fair and reasonable by the relevant professional property valuation consultant who adopted a methodology for property valuation commonly accepted in the market. The MTRCL will make a payment of \$7.79 billion to purchase the property package.

The proposed fare reduction is made possible by synergies to be achieved as a result of the rail merger. In the previous discussions of the Bills Committee on the Rail Merger Bill, the two railway corporations have explained in detail the calculation basis of the merger synergies. The synergies were identified via a detailed review conducted jointly by the two corporations and supported by a management consultant. Each functional area common to both corporations was examined, and assessment has been made on the potential savings in expenditure and cost as well as the implementation period of these saving initiatives. Synergies identified would come from the following three areas:

- Transfer of best practice (for example, optimal use of non-traffic hours for engineering works);
- procurement; and
- support functions (for example, reduction in overheads).

The railway corporations estimated that the synergies would amount to about \$450 million per annum, net of the implementation costs. By comparison, the fare reduction package for the rail merger could bring about an annual saving of around \$600 million to benefit the public. Although it will take a few years for the post-merger corporation to progressively realize the synergies in full which amount to about \$450 million per annum, the MTRCL has committed to return the benefits of the merger synergies to the public through fare reduction immediately from the first day of the rail merger.

In fact, the Bills Committee on the Rail Merger Bill has discussed the issue of student fares upon the rail merger on a number of occasions in the past year. Because of the reasons mentioned above, the MTRCL considers that all the synergies would be returned to the public and thus it would maintain its existing arrangements for fare concession for students.

MR LAU WONG-FAT (in Cantonese): *Madam President, the MTRCL after merger said that it would offer global fare reductions to passengers, however, the student half-fare concession currently offered in respect of the MTR network would not be extended to the original KCR network. This will create a situation in which students will be given different treatment when using various services of the same company. After factoring in the global fare reductions, there is still a great difference between the student fare of the MTR network and that of the KCR network. Will the Government tell this Council if the MTRCL has a timetable for abolishing this fare system with a double standard?*

SECRETARY FOR THE ENVIRONMENT (in Cantonese): *President, I thank Mr LAU for his supplementary. As I said in the main reply just now, the fares of the MTR and KCR networks after the merger should be considered as a whole. After the merger, in fact, the two railway lines will not have two kinds of student fares. Basically, there is just one kind of fare. On the one hand, the original student fare of the MTR network will be retained, and on the other, when students interchange between the KCR and MTR, use the KCR or use the Octopus to travel to another zone, they will be offered additional concessions due to the merger. This is the arrangement that the MTRCL has made for students.*

As I said in the main reply, after the merger, the synergies of the merger, that is, the additional benefits, have actually all been passed on to passengers through the arrangements on fares. Therefore, although the benefits that each person gets under these arrangements may be different, on the whole, students will still enjoy some benefit in various situations.

MR DANIEL LAM (in Cantonese): *President, will the Government tell this Council if, as a major shareholder of the MTRCL, the Government will urge the corporation to carry out a review of fare concessions as soon as possible and implement a standardized fare system?*

SECRETARY FOR THE ENVIRONMENT (in Cantonese): President, I thank Mr LAM for his supplementary. As I said just now, in fact, the fares have just been determined on account of the merger and the determination of fares was dependent on the financial arrangements for the merger of the two corporations. In this regard, I know that a number of Members have played a part and voiced their views in the Bills Committee dealing with the merger. On the whole, regarding student fares, it is true that different concessions are offered now, however, at the present stage, the fares have been determined having regard to various aspects. Moreover, this arrangement has just been introduced and it is the present arrangement of the new railway corporation.

MISS CHAN YUEN-HAN (in Cantonese): *President, I think that the comments made by the Secretary have failed in giving an explanation. Concerning the fact that the concession is offered in the case of the MTR but not in the case of the KCR network, for example, in the case of the East Rail, he has failed to give a reply. He only said that adult fares had been reduced. We are talking about matters of principle. Since the concession is offered in the case of the MTR, I believe it should also be available in the case of the KCR. When the Government was considering the merger of the two railway corporations, Honourable colleagues, including Mr WONG Kwok-hing, all stressed that the fares of all these railway lines should be adjusted downwards. This is a matter of government policy. Since the Secretary is so insistent, may I ask the Secretary what criteria he has adopted? Can the criteria of fairness and justice be met? Why is the concession offered in the case of the MTR but not in the case of the KCR network?*

SECRETARY FOR THE ENVIRONMENT (in Cantonese): President, Members probably will understand that at present, among various modes of public transport, the original MTRCL is the only one offering half-fare concession to students, whereas other transport companies adopt other approaches. After the merger of the two railway corporations, we should consider the fares as a whole and should not think that since such a concession is offered in one area, it should also be offered in another area and that the two areas should be completely the same.

As I said in the main reply, students are eligible for concessions when they interchange, travel to another zone and even simply when they travel on a certain railway line. When we look at the fares as a whole, the most important consideration is whether the synergies after merger have been passed on to society and the public through fare adjustments. Members can see from the figures that each year, the synergies will amount to about \$450 million but it will take a few years for them to be realized. However, the fare reductions can bring about a saving of around \$600 million for the public. Therefore, from a broader perspective, I believe that in the entire process of fare determination, there may be some give and take, but on the whole, we have really adopted as reasonable and feasible an approach as possible.

MISS CHAN YUEN-HAN (in Cantonese): *President, given that at present, the concession is offered in the case of the MTR but not in the case of the KCR, may I ask the Secretary if the criteria of fairness and justice have been met? He evaded my question and did not give a reply regarding these two criteria.*

SECRETARY FOR THE ENVIRONMENT (in Cantonese): I am grateful to Miss CHAN Yuen-han for her question. As I said just now, at present, the original MTRCL is the only company offering this concession. After the merger, when we make the new arrangements having regard to the entire account, some people may get more benefit than others, whereas other people may get less. However, it is necessary for us to consider the account as a whole. Therefore, the MTRCL does not think that this is a question of fairness because originally, the other railway lines, including the KCR, did not offer this kind of concession. After the merger, not only did the MTRCL retain the original concession of the original network, it also offered some additional cross-network concessions. The public can see that this is a reasonable and feasible approach that has taken into account various aspects. I believe this is the principle underlying the determination of fares. In addition, the most important thing is whether the merger will give benefits to the public.

MRS SELINA CHOW (in Cantonese): *In the deliberations of the Subcommittee on Rail Merger Ordinance (Commencement) Notice, we also raised this issue, that is, we asked why such a situation had occurred. The reply we got was that at present, in fact, the two systems, that is, those of the KCR and MTR, could not*

be integrated, that is, such a thing could not be done at present. May I ask the Secretary whether the Government will request the new railway corporation to study the technical feasibility of merging the two systems after the merger, so that the policy of offering student fare concession can be extended to the KCR? In addition, in order to accomplish this, how much additional expenditure will the new railway corporation have to incur?

SECRETARY FOR THE ENVIRONMENT (in Cantonese): President, I thank Mrs Selina CHOW for her supplementary. I believe that this matter involves two aspects. In the process of merger, some integration tasks may be necessary, for example, I know that it is still necessary to carry out some integration work in respect of some train stations. However, regarding the fares, as I said just now, the present practice is to make the arrangements in view of the overall proposal and financial arrangements. I believe that after the merger, the new railway corporation will review the fares from time to time, however, such is the arrangement at present. As regards the Government, it also hopes that the new railway corporation will handle this matter prudently according to the financial arrangements for it and according to market principles.

MRS SELINA CHOW (in Cantonese): *President, the Secretary did not reply as to how much additional cost will be incurred to carry out such a task?*

SECRETARY FOR THE ENVIRONMENT (in Cantonese): President, I do not have the figures on hand because the fares are really considered as a whole. Regarding the fares involving interchanges, at present, the two railway corporations use different single-journey ticket systems. The MTRCL has to complete the task of integrating the ticket systems, so that one ticket can be used to access both the MTR and KCR networks, as well as removing the exit gates in some stations. The works will commence soon. We hope that the new railway corporation will complete the work of integrating the ticket systems within one year of the merger. That was what Mrs Selina CHOW referred to when she said that it might take some time to carry out the integration task relating to some of the fares. In fact, she was referring to the integration task relating to single-journey tickets. However, if it was the fares as a whole that Mrs Selina CHOW referred to in her question, I believe the reply would be just the same as the one I gave just now, that is, under the existing financial

arrangements, this is the outcome that we have got. As regards how much money is incurred by other kinds of fare reductions, I do not have the figures on hand for the time being.

MRS SELINA CHOW (in Cantonese): *President, the Secretary has still not answered my question. President, you understand this clearly. Unfortunately, since Secretary CHENG is not present today, it is necessary for Secretary YAU to reply, as a result, he may have difficulty in doing so. I hope that he can give me a written reply after the meeting. However, such a figure is surely available because they surely have a clear idea of how many students take KCR trains. I hope the authorities can give us a supplementary reply in writing.*

SECRETARY FOR THE ENVIRONMENT (in Cantonese): President, as I said, I do not have the information on hand. However, if we want to estimate how much money will be incurred in offering other fare concessions in the future, I believe it is necessary to make a lot of assumptions. I believe it may not be possible to provide a single figure, however, I will discuss with my colleagues in the Bureau concerned to see if it is possible to provide such figures in writing. (Appendix V)

PRESIDENT (in Cantonese): We have spent 17 minutes on this question. Last supplementary now.

MR WONG KWOK-HING (in Cantonese): *President, the Hong Kong public and school children welcome the "one country, two systems" principle because it can solve the problem of Hong Kong's future, however, the Hong Kong public and school children surely would not welcome the approach of "one railway corporation, two systems" in dealing with the issue of half-fare concession for students. According to the main reply, when the merger is effected, the MTRCL will make an upfront payment and give some of its revenues derived from actual railway operation and from properties to the KCRC each year. In view of this, since the KCRC is solely owned by the Government, may I ask the Secretary through the President if the Government will consider allocating some of the*

revenues that the KCRC receives from the MTRCL to solving the issue of "one railway corporation, two systems" in respect of student fares? Can it examine this measure, so as to ameliorate the discontent of the Hong Kong public and all students with the situation of "one railway corporation, two systems"?

SECRETARY FOR THE ENVIRONMENT (in Cantonese): President, I am grateful to Mr WONG Kwok-hing for his supplementary. As I said just now, after the merger, there is in fact only one fare system, not two. The MTRCL, apart from retaining the original concessions of its MTR network, has also given students some other fare reductions after the merger. Therefore, the new fares after the merger belong to one system, not two. Concerning Mr WONG's suggestion, that is, whether the Government can subsidize the fares of a certain group of passengers, I believe that unless we provide subsidies to the new railway corporation, we must expect the new railway corporation to continue to operate according to commercial principles.

However, I wish to reiterate here that it is true that different concessions and reductions are offered in respect of different lines currently.

MR WONG KWOK-HING (in Cantonese): *President, the Secretary did not answer my supplementary, that is, whether the wholly government-owned KCRC can explore the allocation of funds to solving the problem of "one railway corporation, two systems" in offering half-fare concession to students — and I am talking about the half-fare concession. Is it possible to look into this?*

SECRETARY FOR THE ENVIRONMENT (in Cantonese): The two railway corporations have become one new corporation after merger. Of course, the Government is one of the shareholders, but the operation of the entire railway network as well as that of the corporation must follow commercial principles. I have replied just now that unless we provide subsidies to the new railway corporation, it will not be possible to subsidize a certain group of passengers in such a way.

PRESIDENT (in Cantonese): Oral questions end here.

WRITTEN ANSWERS TO QUESTIONS**Estimate for Legislative Council By-election**

7. **DR PHILIP WONG** (in Chinese): *President, given that there are currently eight candidates running for the Legislative Council by-election for the Hong Kong Island geographical constituency to be held on 2 December this year, will the Government inform this Council whether it has assessed if the expenditure on this by-election will exceed the estimate of \$26.6 million; if an assessment has been made, of the outcome; if the estimate will be exceeded, of the expected amount in excess, and whether sufficient resources have been set aside to cover the extra expenditure concerned?*

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Chinese): *President, regarding the Legislative Council by-election for the Hong Kong Island geographical constituency to be held on 2 December 2007 and taking into account various developments, the latest estimated expenditure is \$27.8 million, which is \$1.2 million over the estimated expenditure worked out before the nomination period (\$26.6 million).*

We will strive to meet the relevant expenditure within the financial provision for the 2007-2008 financial year. We will consider whether additional allocation is needed upon confirmation of actual expenditures for this by-election and other elections in this financial year.

Pneumococcal Diseases

8. **MISS CHAN YUEN-HAN** (in Chinese): *President, regarding pneumococcal diseases, will the Government inform this Council:*

- (a) *given that the Scientific Committee on Vaccine Preventable Diseases (the Committee) under the Centre for Health Protection (CHP) of the Department of Health (DH) pointed out in the Recommendations on the Use of Pneumococcal Vaccines issued in October this year that the average annual incidences of invasive pneumococcal diseases (IPD) among children aged below two and elderly people*

above 65 years of age were 7.7 per 100 000 during the period from 2000 to 2004, whether the Government knows the specific method of computing such data and how such method compares with those adopted by other places for computing similar data;

- (b) of the incidences of IPD among children of different age groups (including below one year, one to under two, two to under five and five to seven years of age) during the period from 2000 to 2004;*
- (c) in the past five years, of the respective numbers of children and elderly people infected with invasive Streptococcus pneumoniae together with the number of cases in which the infection had resulted in serious complications, broken down by the type of disease (including meningitis, bacteremia, pneumonia and otitis media), as well as the number of deaths caused by pneumococcal diseases;*
- (d) whether it knows how the Streptococcus pneumoniae carriage rate among children in Hong Kong compares with those in countries such as the United States, Canada, the United Kingdom and Australia before and after they have carried out pneumococcal vaccination programmes on a national basis; and*
- (e) whether the Government has analysed the threat posed by Streptococcus pneumoniae to young children in Hong Kong; if it has, of the scope and findings of the analysis; if not, the reasons for that?*

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

(a) and (b)

The CHP of the DH analysed and assessed the incidence rates of IPD in Hong Kong based on the following data provided by the Hospital Authority (HA):

- (i) Data from the findings of Streptococcus pneumoniae isolation conducted by laboratories in all public hospitals under the HA

in Hong Kong between 2000 and 2004 on blood, cerebrospinal fluid and samples from other sterile body sites; and

- (ii) Records maintained by all public hospitals under the HA in Hong Kong between 1997 and 2004 on cases clinically diagnosed as IPD upon the discharge of patients, including cases of meningitis, septicaemia and bacteraemic pneumonia (using the International Classification of Diseases ICD-9-CM as the classification criteria).

The average incidence rates of IPD of different age groups based on the data in paragraph (i) are as follows:

<i>Age group</i>	<i>Average incidence rates of IPD between 2000 and 2004 based on the findings of Streptococcus pneumoniae isolation conducted by the HA's laboratories (per 100 000 population)</i>
Below 1	8.5
1 to below 2	7.1
2 to below 5	8.7
5 to 7	0.9

The average incidence rates of IPD of different age groups based on the data in paragraph (ii) are as follows:

<i>Age group</i>	<i>Average incidence rates of IPD based on the HA's diagnostic records of patients upon discharge between 1997 and 2004 (per 100 000 population)</i>
Below 1	5.5
1 to below 2	4.6
2 to below 5	2.5
5 to 7	0.3

According to literature, similar approaches have also been adopted in conducting epidemiological data analysis for IPD in other places (for example, the United States and Canada).

- (c) Between 2000 and 2004, the actual number of children aged below five and elderly people aged 65 or above who suffered from various serious complications caused by *Streptococcus pneumoniae*, including meningitis, septicaemia and bacteraemic pneumonia and were hospitalized in public hospitals under the HA are as follows:

Year	Meningitis		Septicaemia		Bacteraemic pneumonia		Death	
	Age <5	Age ≥65	Age <5	Age ≥65	Age <5	Age ≥65	Age <5	Age ≥65
2000	3	0	12	3	0	1	4	2
2001	5	1	12	4	0	2	2	1
2002	1	1	9	5	2	1	1	4
2003	3	0	10	6	1	4	1	1
2004	1	2	4	1	1	10	1	1

As it takes time to process the relevant data, we are unable to provide data for 2005 and 2006 at the moment. We also do not have the corresponding data for otitis media.

- (d) We do not have data on the *Streptococcus pneumoniae* carriage rate among children in Hong Kong or in other countries. However, it would be better to assess the efficacy of a vaccine by comparing the incidence rates before and after the national vaccination. According to literature, the incidence rates of IPD in the United States, Canada, the United Kingdom and Australia before and after their national vaccination programmes are as follows:

Place	Year in which national vaccination programme was launched	Average incidence rate (per 100 000 population)	
		Before national vaccination programme	After national vaccination programme
Hong Kong	Not Applicable	Average incidence rate between 2000 and 2004 (per 100 000 population) 8.5 (aged below 1) 7.1 (aged 1 to below 2)	
The United States	2000	1997 to 2000 142.9 to 165.3 (aged below 1) 161.6 to 205.4 (aged 1 to below 2)	2001 to 2003 38.5 to 52.3 (aged below 1) 31.5 to 68.6 (aged 1 to below 2)

Place	Year in which national vaccination programme was launched	Average incidence rate (per 100 000 population)	
		Before national vaccination programme	After national vaccination programme
Canada (British Columbia)	2003	2002 51 (aged below 1) 135 (aged 1 to below 2)	2005 20 (aged below 1) 15 (aged 1 to below 2)
Australia	2005	2003 98.8 (aged below 2)	2005 94.0 (Aborigines aged below 2) 28.7 (Non-Aborigines aged below 2)
The United Kingdom	2006	1996 to 2003 47.8 (aged below 1)	No figures available yet

- (e) The Committee under the CHP of the DH has conducted an epidemiological analysis on the threat posed by IPD to children, including its fatality and incidence rates, and also carried out scientific assessments and made recommendations on the vaccines against IPD. The Committee carries out scientific assessments of new vaccines and combination vaccines (including *Streptococcus pneumoniae*) on a regular basis. In considering whether to include a new vaccine in the Childhood Immunization Programme, the DH needs to take into account a number of scientific factors, including epidemiology (such as incidence and fatality rates); disease burden; the safety, efficacy, side effects, cost-effectiveness, adequacy of supply of the vaccine, and so on. The acceptance of the vaccine by the public, the availability of other preventive measures and the administrative arrangements for vaccination are also factors for consideration. Early last year, the DH commissioned a local university to carry out a study on the possibility of incorporating new vaccines and combination vaccines (including vaccines against *Streptococcus pneumoniae*) into the Childhood Immunization Programme. The study is expected to complete some time later.

Burial Grant Under CSSA Scheme

9. **MR FRED LI** (in Chinese): *President, under the Comprehensive Social Security Assistance (CSSA) Scheme, the deceased recipient's family member or*

relative/friend may apply for burial grant. The amount of the grant payable is the actual expenses after deducting donations (such as the condolence money) made by relatives/friends or the prescribed maximum level, whichever is less. In this connection, will the Government inform this Council:

- (a) *of the respective numbers of applications for burial grant received and approved in each of the past three financial years; among the approved cases, the number of those in which condolence money was deducted, as well as the average and total amounts of deduction; and*
- (b) *whether it will consider raising the maximum level of the burial grant, and abolishing the requirement to deduct donations from the grant payable; if not, of the reasons for that?*

SECRETARY FOR LABOUR AND WELFARE (in Chinese): President, the CSSA Scheme provides a safety net to meet the basic needs of those who cannot support themselves financially. It is non-contributory but means-tested. Under the CSSA Scheme, a burial grant is payable to the deceased recipient's relatives/friends to meet the burial expenses of the deceased recipient. Such expenses may include charges for the death certificate, coffin, clothing for the deceased, cremation, hiring of ritual hall, and so on.

My replies to the specific questions are set out below:

- (a) The respective number of applications for burial grant received and approved in each of the past three financial years as well as the total amount of expenditure involved are set out in the table below:

<i>Financial Year</i>	<i>Number of Applications Received and Approved</i>	<i>Burial Grant Paid (\$ million)</i>
2004-2005	13 437	136
2005-2006	12 810	130
2006-2007	12 889	131
Total	39 136	397

The Social Welfare Department does not keep statistics on the number of burial grant applications in which condolence money had to be deducted; nor does it have information on the actual amount deducted in such cases. In general, an overwhelming majority of the applications for burial grant received the maximum level of the grant.

- (b) Under the CSSA Scheme, a burial grant is payable to meet the actual cost. The current maximum level of the grant is \$10,610. The amount of the grant payable is the actual expenses after deducting the condolence money or the prescribed maximum level, whichever is less. The maximum level of the grant is pegged to the burial grant payable under the Emergency Relief Fund, which is adjusted annually in accordance with the movement of the Consumer Price Index (A). It was increased by 1.7% to \$10,610 on 1 April 2007 to take account of inflation.

Generally speaking, the current level of burial grant can sufficiently cover a basic funeral and its related expenses. As such, we will continue to adjust the maximum level of the burial grant according to the established mechanism. We have no intention of changing the existing arrangement of deducting condolence money from the burial grant.

Regulation of People Engaged in Chinese Herbal Medicines Retail Trade

10. **MR LI KWOK-YING** (in Chinese): *President, it has been reported that some Chinese herbal medicine shops which provide Chinese herbal medicine decoction services for customers have illegally employed foreign domestic helpers (FDHs) to undertake the work of decoction of herbal medicines, causing concern about the hazards to public health posed by such an arrangement. In this connection, will the Government inform this Council:*

- (a) *in the past three years, whether it has uncovered any cases involving the above offence and instituted prosecutions as a result, and whether it has received complaints about malpractices of Chinese*

herbal medicine shops in handling Chinese herbal medicines; if so, of the details of the penalties involved in cases of conviction or substantiated complaints;

- (b) how the authorities enhance the training of Chinese herbal medicine dispensers and persons responsible for decoction of Chinese herbal medicines, so as to improve the quality of service; and*
- (c) whether it will establish a registration system for people engaged in the Chinese herbal medicines retail trade, so as to strengthen the monitoring of Chinese herbal medicine shops; if so, of the relevant timetable; if not, the reasons for that?*

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

- (a) In the past three years, the Immigration Department did not have any cases involving the illegal employment of FDH by Chinese herbal medicines stores and has therefore instituted no such prosecutions.

As to complaints about the mishandling of Chinese herbal medicines, the Medicines Board (the Board) of the Chinese Medicine Council of Hong Kong has started to issue licences to Chinese medicines traders since mid-2005. As at 30 September 2007, the Board has received a total of 30 complaints against licensed Chinese medicines traders, most of which concern dispensing procedures and quality of Chinese herbal medicines, business practices as well as decoction services. However, no complaint is made about illegal employment of FDHs. To date, the Board has handled eight complaints, of which five are substantiated and three unsubstantiated. The Board has decided to revoke the licence of one Chinese medicines trader, issue warnings or letters of advice to another four Chinese medicines traders and alter the licensing conditions of one Chinese medicines trader and give him a warning.

(b) and (c)

We will commence the relevant provisions of the Chinese Medicine Ordinance (the Ordinance) on 11 January 2008 so as to bring the licensing regime of Chinese medicines traders into full operation.

With the implementation of the relevant legal provisions, a Chinese herbal medicines retailer licence must be obtained for retail dealings in Chinese herbal medicines, including the sale or dispensing of any Chinese herbal medicines specified in the Schedules to the Ordinance. In addition, as for the sale or dispensing of toxic Chinese herbal medicines (that is, the Chinese herbal medicines specified in Schedule 1 to the Ordinance), licensed Chinese medicines retailers must dispense them on the prescription of a registered Chinese medicine practitioner and record the particulars afterwards in compliance with the requirements of our legislation and the Practising Guideline for Retailers of Chinese Herbal Medicines. Any person who commits an offence under the Ordinance is liable to a maximum fine at level 6 and imprisonment for two years.

Moreover, Chinese herbal medicines retailers engaged in the dispensing of Chinese herbal medicines must nominate to the Board one person responsible for the supervision of the dispensing of Chinese herbal medicines and not more than two deputies. These nominees must fulfil the requirements as set out in the Chinese Medicines Regulation in terms of knowledge and experience. The Ordinance and the Chinese Medicines Regulation do not specify the practising qualifications of other employees but stipulate that these employees are only allowed to dispense Chinese herbal medicines under the supervision of the nominated persons. The Chinese herbal medicines retailer licence holder is legally liable and subject to disciplinary action if there is any breach of the relevant stipulations by any of his employees. Furthermore, the Chinese Medicines Regulation and the Practising Guideline for Retailers of Chinese Herbal Medicines regulate the dispensing practices of Chinese herbal medicines retailers, including the verification of prescriptions, cross-checking, packaging, dispensing as well as decoction of Chinese herbal medicines.

The above measures already regulate Chinese medicines traders in various aspects to ensure the quality of their services and protect public health. We therefore do not intend to introduce a registration system for people engaged in the Chinese herbal medicines trade.

Distribution of Souvenirs and Gifts for 10th Anniversary of Reunification

11. **MR LEE WING-TAT** (in Chinese): *President, I have received complaints from members of the public pointing out that the Government has not fairly allocated the souvenirs and gifts for the 10th anniversary of reunification to local organizations for distribution to the public at the relevant activities. In this connection, will the Government inform this Council:*

- (a) *of the total value and quantity of such souvenirs and gifts allocated to various local organizations, as well as the relevant principles and mechanism for allocation;*
- (b) *whether it has informed all political parties, local organizations and District Council (DC) members that they may apply to the Government for the allocation of such souvenirs and gifts for distribution to the public during activities; if so, of the relevant details; if not, the reasons for that;*
- (c) *whether certain organizations and political parties which have come to know that such souvenirs and gifts are available for allocation had written to the relevant government department(s) on their own initiative, asking for the allocation of such items for distribution; if so and if such requests have been acceded to, whether the Government has assessed if such a practice is unfair, and if this may encourage local organizations to write to the Government on their own initiative to ask for the allocation of souvenirs and gifts, whenever such items are available for allocation;*
- (d) *whether it has received any complaints concerning members of political parties that they have taken the opportunity of distributing such souvenirs and gifts to promote the political parties to which they belong; if so, of the details; and*
- (e) *whether it will review the practice of allocating souvenirs and gifts to local organizations?*

SECRETARY FOR HOME AFFAIRS (in Chinese): President, my replies to the five parts of Mr LEE Wing-tat's question are as follows:

- (a) To celebrate the 10th anniversary of the establishment of the Hong Kong Special Administrative Region (SAR), the Government organized a series of activities in Hong Kong, the Mainland and overseas this year to mark this significant occasion. The Government also encouraged different sectors of the community to organize territory-wide and district-based events, so that more people could take part in different types of celebration activities and shared the festive joy, thus having a greater sense of belonging to Hong Kong.

The former Celebrations Co-ordination Office co-ordinated and spent a total of \$5,148,200 on the production of 852 800 souvenirs for distribution by government departments and local organizations to the participants at celebration activities. In view of the enthusiastic response from local organizations in organizing celebration activities, the Home Affairs Department allocated an additional \$299,000 for the production of 115 000 paper fans for distribution by local organizations at celebration activities. Certain government departments also produced their own souvenirs to mark the 10th anniversary of the establishment of the SAR for distribution at some activities.

Activities in celebration of the 10th anniversary organized by local organizations, if approved by the Government, would be included in the celebration programme. The host organizations may use the 10th anniversary official logo and promotional videos for publicity purposes. They could also request the Government to provide souvenirs produced for the 10th anniversary for distribution at the relevant activities.

Individual organizations or bodies could also decide whether they should produce their own souvenirs and gifts for distribution at their activities in celebration of the 10th anniversary.

(b) and (c)

The purpose of distributing souvenirs by the Government was to enhance the festive atmosphere of the celebration of the 10th anniversary of the establishment of the SAR. As mentioned above, the organizers of activities included in the celebration programme could request the Government to provide souvenirs produced for the 10th anniversary for distribution at the activities. The Government did not request political parties or DC members to assist with the distribution of souvenirs, nor had it received any offer from political parties or DC members to assist with the distribution.

- (d) The Government has received one complaint about the distribution of souvenirs. Mr LEE Wing-tat referred a citizen's complaint in September against a member of a political party for distributing paper fans produced by the Home Affairs Department for personal publicity. The Government has looked into the matter and explained to Mr LEE that the distribution of souvenirs concerned aimed to call on the public to participate in the 10th anniversary celebration and was not intended to promote any political party. In future, to ensure that the Government's souvenirs are used for the specified purposes (that is, for distribution at activities), the Government will remind local organizations that they should only distribute souvenirs on the occasions specified by the Government, so as to avoid misunderstanding. Any souvenirs that have not been distributed have to be returned to the relevant authorities.
- (e) We consider that distribution of souvenirs at activities is an effective means to enhance the atmosphere of the activities. We have no plan to change the practice at this stage.

Sponsoring Activities Held to Celebrate 10th Anniversary of Reunification

12. **MR LEE WING-TAT** (in Chinese): *President, regarding the Government sponsoring activities held by local organizations to celebrate the 10th anniversary of reunification, will the Government inform this Council:*

- (a) *of the amount of public money spent so far on sponsoring such activities held by local organizations;*
- (b) *of the criteria adopted for determining if an activity should be sponsored and the amount of sponsorship;*
- (c) *of the name, organizer and amount of sponsorship of each activity it has sponsored;*
- (d) *whether any annual activities (such as dragon boat races, mid-autumn night shows) named with additional wording such as "in celebration of the 10th anniversary of reunification" this year received an amount of sponsorship far more than that in previous years; and*
- (e) *whether it has reviewed the cost-effectiveness of the activities sponsored; if it has, of the results of the review; if not, the reasons for that?*

SECRETARY FOR HOME AFFAIRS (in Chinese): President, my replies to the five parts of Mr LEE Wing-tat's question are as follows:

- (a) The Government spent a total of \$11,068,159.25 to subsidize activities held by district and local organizations for celebrating the 10th anniversary of the establishment of the Hong Kong Special Administrative Region (SAR). Besides, the 18 District Councils (DCs) allocated a total of \$13,405,482.25 to subsidize such activities.
- (b) The Government has taken into account the nature, demand, scale and other related factors (including district partnership) of the activities to be held by local organizations before deciding whether they should be subsidized and the amount of subsidy. As regards those to be subsidized by DCs, the 18 DCs will act in accordance with the vetting criteria set out in the Manual on the Use of District Council Funds.

- (c) The activities subsidized and the names of host organizations as well as the amounts of subsidy are listed in the Annex.
- (d) The 10th anniversary of the establishment of the SAR is a celebration shared by all citizens of Hong Kong. The celebration activities should not be confined to those organized by the Government. As early as in November 2006, the Government invited and encouraged all sectors of the community to organize different types of activities that could create a festive atmosphere, strengthen community cohesion, attract public participation and showcase Hong Kong's achievements in various areas. There was no prescription on the nature and programmes of these activities and some of them were subsidized in accordance with the criteria set out in part (b) above. In fact, many local organizations which did not seek government subsidy also devoted efforts and resources to organizing activities for participants to celebrate the 10th anniversary of the establishment of the SAR.
- (e) To celebrate the 10th anniversary of the establishment of the SAR, the Government and local organizations have organized over 800 activities in different forms and of different scales. These activities aimed to allow more people to participate in the celebration and strengthen their sense of belonging to our Motherland and Hong Kong, when sharing the joy of celebrating the 10th anniversary of the establishment of the SAR. Most of the activities have been held successfully and achieved the objective of having the whole community joining the celebration.

Annex

	Name of Organization	Name of Activity	Amount of Subsidy (\$)	
			Government	DC
Central and Western				
1	中西區慶祝香港特別行政區成立十周年統籌委員會	中西區七人足球賽	-	31,000.00
2	中西區慶祝香港特別行政區成立十周年統籌委員會	中西區慶祝香港特別行政區成立十周年綜合晚會	91,482.30	-
3	中西區慶祝香港特別行政區成立十周年統籌委員會	中西區慶祝香港特別行政區成立十周年活動開展禮暨十周年燈飾亮燈儀式	-	124,929.00
4	中西區慶祝香港特別行政區成立十周年統籌委員會	慶祝香港特別行政區成立十周年龍獅武術大匯演	-	150,000.00

	Name of Organization	Name of Activity	Amount of Subsidy (\$)	
			Government	DC
5	中西區慶祝香港特別行政區成立十周年統籌委員會	中西區錦繡香江慶回歸十周年巡遊大匯演暨嘉年華	219,093.60	100,000.00
6	中西區慶祝香港特別行政區成立十周年統籌委員會	時間囊	-	39,051.90
7	中西區慶祝香港特別行政區成立十周年統籌委員會	古蹟巴士遊	-	33,733.40
8	中西區慶祝香港特別行政區成立十周年統籌委員會	老店街 展覽、講座、設置檔位	-	1,325.00
Eastern				
1	香海正覺蓮社主辦佛教何李寬德耆英康樂中心	慶祝回歸十周年 — 同歡互愛展才能	-	6,190.00
2	筲箕灣南安坊坊眾會	筲箕灣區慶祝香港回歸十周年紀念 — 暨中港澳步操及管樂團比賽、國際獅王賀回歸大賽	-	102,700.00
3	東區康樂體育促進會	十載回歸千人宴	-	77,162.00
4	東區康樂體育促進會	萬眾歡騰慶回歸十周年嘉年華	-	38,500.00
5	東區文藝協進會	回歸十周年 — 東區新面貌“徵文比賽”	-	16,730.00
6	東區文藝協進會	回歸十周年 — 東區新面貌“攝影比賽”	-	32,200.00
7	香港鱸魚涌居民協會有限公司	慶祝香港回歸祖國十周年綜合文藝嘉年華	-	30,263.80
8	耀東興東居民協會	慶祝香港回歸十周年粵曲晚會	-	7,000.00
9	群策社	慶祝香港特別行政區成立十周年電影欣賞會	-	9,788.00
10	北角居民協會	北角居民載歌載舞慶祝香港回歸十周年	-	32,000.00
11	工聯會港島東地區服務處	慶祝特區成立十周年聯歡聚餐暨圖片展	-	15,732.00
12	香港東區各界慶祝香港回歸祖國十周年籌備委員會	東區青年學生／義工慶回歸十周年分享坐談會	-	2,900.00
13	香港東區各界慶祝香港回歸祖國十周年籌備委員會	柴灣區各界慶祝香港回歸祖國十周年綜合文藝表演聯歡會	-	6,980.00
14	香港東區各界慶祝香港回歸祖國十周年籌備委員會	柴灣區各界慶祝香港回歸祖國十周年綜合文藝表演聯歡會	-	6,980.00
15	香港東區各界慶祝香港回歸祖國十周年籌備委員會	香港東區各界回歸十周年聯歡晚會	-	35,900.00
16	香港東區各界慶祝香港回歸祖國十周年籌備委員會	香港東區各界回歸十周年粵劇欣賞會	-	141,950.00
17	香港東區各界慶祝香港回歸祖國十周年籌備委員會	柴灣區各界慶祝香港回歸祖國十周年嘉年華	-	21,510.00
18	香港粵劇曲藝協會	“全港18區粵曲精英大賽”東區慶回歸十周年 粵曲選拔賽	-	30,000.00
19	愛秩序灣居民協會	慶回歸 — 攜手共創健康路、和諧溫馨樂融融	-	2,300.00
20	翡翠區居民協會	迎回歸粵曲滙知音	-	25,400.00
21	北角社區服務聯會	慶回歸美食遊	-	22,100.00

	Name of Organization	Name of Activity	Amount of Subsidy (\$)	
			Government	DC
22	東區協進社有限公司	粵曲濃情慶回歸	-	14,460.00
23	香港基督教青年會柴灣會所	回歸十周年環村跑	-	19,400.00
24	康馨婦女會	康馨同歡賀回歸	-	18,604.00
25	寶馬台業主立案法團	慶祝特區成立十周年旅行	-	15,590.00
26	妍舞軒(東區)婦女會	慶祝香港特別行政區成立十周年粵曲欣賞晚會	-	9,830.00
27	耀興之友社	慶祝七、一回歸聯歡晚會	-	12,986.00
28	愛秩序灣居民協會	愛秩序灣慶回歸綜合晚會	-	10,000.00
29	基督教培道聯愛會莊重文敬老中心	回歸十載銀禧共融嘉年華	-	16,330.00
30	港運城業主委員會	港運城全齋宴暨香港特區成立十周年	-	6,000.00
31	明華賢毅社	東區賢毅樂韻慶回歸十周年	-	5,100.00
32	柴灣漁民娛樂會	慶祝香港回歸十周年2007年度東區龍舟競渡	-	400,000.00
33	北角社區服務聯會	歌舞昇平賀回歸●迎國慶聯歡晚會	-	23,750.00
34	東區區議會節日慶祝活動委員會	香港東區各界慶祝香港回歸祖國十周年升旗禮暨大匯演	-	230,000.00
35	東區區議會節日慶祝活動委員會、東區體育會、香港東區各界慶祝香港回歸祖國十周年籌備委員會	香港東區各界慶祝香港回歸祖國十周年長跑比賽	-	114,150.00
36	東區區議會節日慶祝活動委員會、香港東區各界協會	東區慶祝香港特別行政區成立十周年酒會	-	90,000.00
37	東區區議會節日慶祝活動委員會、香港東區各界協會	慶祝香港特別行政區成立十周年文藝晚會	-	195,000.00
38	東區區議會節日慶祝活動委員會、香港東區各界協會	慶祝香港特別行政區成立十周年燈飾	-	120,000.00
39	香港島各界聯合會、港島四區區議會、香港中國企業協會、東區區議會節日慶祝活動委員會	港島歡騰賀回歸十周年 — 香港邁向新里程嘉年華	-	50,000.00
40	東區區議會節日慶祝活動委員會、東區民政事務處	慶祝香港特別行政區成立十周年燈飾	200,000.00	-
Kowloon City				
1	工聯康齡土瓜灣老人中心	回歸10週年知多D	-	8,900.00
2	紅磡鶴園區大廈聯會	慶祝香港回歸十週年九龍城區卡拉OK歌唱比賽2007	-	29,574.00
3	香港游泳協會	香港游泳協會慶祝香港回歸十週年九龍城區游泳錦標賽	-	27,610.00
4	1a 空間	〈對話〉→九七十周年藝術回顧展	-	24,000.00
Kwun Tong				
1	觀華遊樂社	觀塘區慶祝香港特別行政區成立十週年粵劇欣賞會	100,000.00	-
2	九龍婦女聯會	觀塘區慶祝香港特別行政區成立十週年情繫家國之舞出彩虹舞蹈比賽	100,000.00	-
3	觀塘文化藝術體育聯會	觀塘區慶祝香港特別行政區成立十週年懷舊金曲夜	30,000.00	-
4	九龍社團聯會觀塘地區委員會	觀塘區慶祝香港特別行政區成立十週年繽紛嘉年華巡禮暨花車巡遊	200,000.00	-
5	高翔苑高安閣互助委員會	回歸十年 繁榮共建	-	12,000.00

	Name of Organization	Name of Activity	Amount of Subsidy (\$)	
			Government	DC
6	祥和苑業主立案法團	慶祝特區成立十周年嘉年華會暨音樂晚會	-	16,000.00
7	翠屏(南)邨翠樂樓互助委員會	翠屏慶祝香港特區成立十周年嘉年華	-	1,031.00
8	翠屏(南)邨翠櫻樓互助委員會	萬眾同心慶回歸	-	12,000.00
9	翠屏(北)邨翠樟樓互助委員會	翠屏慶祝香港特區成立十周年嘉年華	-	1,031.00
10	翠屏(北)邨翠柏樓互助委員會	翠屏慶祝香港特區成立十周年嘉年華	-	1,031.00
11	翠屏(北)邨翠栢樓互助委員會	翠屏慶祝香港特區成立十周年嘉年華	-	1,031.00
12	翠屏(北)邨翠榆樓互助委員會	翠屏慶祝香港特區成立十周年嘉年華	-	1,031.00
13	翠屏(北)邨翠楠樓互助委員會	翠屏慶祝香港特區成立十周年嘉年華	-	1,031.00
14	翠屏(北)邨翠柳樓互助委員會	翠屏慶祝香港特區成立十周年嘉年華	-	1,031.00
15	翠屏(北)邨翠榕樓互助委員會	翠屏慶祝香港特區成立十周年嘉年華	-	1,031.00
16	翠屏(北)邨翠桃樓互助委員會	翠屏慶祝香港特區成立十周年嘉年華	-	1,031.00
17	翠屏(北)邨翠榴樓互助委員會	翠屏慶祝香港特區成立十周年嘉年華	-	1,031.00
18	翠屏(北)邨業主立案法團	翠屏慶祝香港特區成立十周年嘉年華	-	8,336.00
19	平田邨平善樓互助委員會	萬家共慶賀回歸	-	12,000.00
20	平田邨平美樓互助委員會	祝賀香港回歸十周年聯歡大會	-	12,000.00
21	平田邨平信樓互助委員會	2007年慶祝香港回歸祖國繽紛嘉年華	-	12,000.00
22	高俊苑(油塘)業主立案法團	2007慶回歸嘉年華	-	12,000.00
23	麗晶花園業主委員會	十載濃情慶回歸盡在觀塘嘉年華	-	12,000.00
24	和樂邨恆安樓互助委員會	和樂合家歡共慶	-	12,000.00
25	德田邨德欣樓互助委員會	萬家燈火賀回歸	-	12,000.00
26	興田邨業主立案法團	萬眾同歡慶回歸十周年嘉年華	-	12,000.00
27	孔雀樓互助委員會	2007歌頌回歸嘉年華	-	12,000.00
28	德福花園業主立案法團	中外頌唱慶回歸	-	8,000.00
29	高翔苑高麟閣互助委員會	懷舊金曲慶回歸	-	12,000.00
30	翠屏(北)邨翠梓樓互助委員會	翠屏慶回歸粵曲欣賞會	-	8,000.00
31	順安邨安頌樓互助委員會	香港特別行政區成立十周年活動(街坊聯歡會)	-	12,000.00
32	順安邨安逸樓互助委員會	慶祝香港特別行政區成立十周年順安邨居民聯歡晚會	-	12,000.00
33	寶珮苑業主立案法團	歡欣喜慶香港特區政府成立十周年情繫家國綜合嘉年華暨和諧家庭攝影頒獎禮	-	16,000.00
34	平田邨平旺樓互助委員會	和諧社區親子競技比賽	-	12,000.00
35	康栢苑業主立案法團	讓愛走動關懷大行動	-	15,810.00
36	廣田邨互助委員會	親親歡樂慶回歸	-	1,650.00
37	香港青年協會賽馬會坪石青年空間	種族無界同心慶回歸	-	16,000.00
38	明愛牛頭角長者中心	慶祝香港特別行政區成立十周年暨護老心連心嘉年華會	-	7,170.00
39	救世軍耆恩居	黃金十年慶回歸	-	1,835.00
40	扶康會樂華成人訓練中心	家●港●情牽心連心	-	1,270.00
41	明愛觀塘長者中心	譜出香江十載情	-	13,594.00
42	救世軍耆才拓展計劃觀塘中心	“鼓動心弦”慶回歸	-	15,260.00
43	工聯康齡翠屏長者中心	紫荊吐豔綜藝匯演●慶祝香港特別行政區成立十周年	-	16,070.00

	Name of Organization	Name of Activity	Amount of Subsidy (\$)	
			Government	DC
44	保良局觀塘長者地區中心	十年回歸訴真情	-	9,975.00
45	香港基督教服務處雲漢長者地區中心	美景生輝十載情	-	5,964.00
46	竹園區神召會牛頭角長者鄰舍中心	“中國人●香港心●民族情”	-	3,770.00
47	香港中華基督教青年會聯青聾人中心	社區和諧共融暨特區成立十載情	-	16,000.00
48	香港中國婦女會黃陳淑英紀念護理安老院	長幼族裔共融和	-	8,570.00
49	基督教家庭服務中心觀塘綜合家居照顧服務	長青歡聚慶回歸	-	4,256.00
50	基督教家庭服務中心順安長者地區中心	龍情一家	-	3,650.00
51	香港基督教服務處觀塘樂 Teen 會	共聚四順展和諧	-	12,000.00
52	油塘晴空	一個國家，一個夢想	-	12,000.00
53	寶達邨居民協會	“香港回歸十週年”嘉年華	-	16,000.00
54	藍田德慧雅集	與眾同樂齊慶回歸	-	12,000.00
55	啟田邨義工服務團	喜氣洋洋賀回歸	-	8,000.00
56	德田之友社	鄰里共聚迎回歸	-	12,000.00
57	藍田社區事務促進會	輕歌漫舞慶回歸	-	12,000.00
58	鯉魚門邨居民聯會	萬眾歡騰慶回歸嘉年華	-	12,000.00
59	青年觀塘	“回歸 10 周年首日封 DIY”頒獎禮暨慶回歸嘉年華	-	16,000.00
60	藍田青年服務團	萬眾歡騰慶回歸	-	12,000.00
61	彩霞邨關注組	萬家歡樂慶回歸嘉年華會	-	8,000.00
62	牛頭角區街坊福利會	聲聲和諧●千歌載舞●欣欣同興●十年回歸	-	8,000.00
63	坪啟麗區各界慶祝委員會	和諧社區樂共融慶祝回歸 10 週年嘉年華	-	12,000.00
64	曉麗苑業主協會	慶祝回歸十周年口號創作比賽頒獎暨同樂日嘉年華	-	16,000.00
65	香港家庭福利會順利綜合家庭服務中心	2007 慶回歸之愛港愛家愛鄰舍論壇嘉年華	-	12,000.00
66	啟業社區協進會	喜迎回歸 10 週年嘉年華	-	12,000.00
67	順緻苑居民協會	慶祝香港回歸十週年繽紛嘉年華	-	12,000.00
68	順利區社區事務促進會	歡天喜地慶回歸	-	12,000.00
69	觀塘區傑出學生協會	同心彩繪“畫出香港回歸精彩十周年”暨嘉年華	-	12,000.00
70	翠屏婦女會	燦爛美麗的紫荊城填色比賽頒獎禮暨嘉年華	-	16,000.00
71	牛頭角 Teen 網絡	明 Teen 樂繽紛音樂會	-	12,000.00
72	九龍東頤樂社	翩韻頌十年	-	8,000.00
73	合群曲藝社	2007 合群慶回歸粵曲分享會	-	5,755.00
74	觀塘順秀粵曲賢藝社	粵曲歡騰慶回歸 — 2007	-	8,000.00
75	樂天曲藝社	文化承傳賀回歸 2007	-	8,000.00
76	油塘曲藝社	慶祝回歸 10 周年折子戲●粵曲欣賞會	-	4,100.00
77	兆輝曲院	香江傷健粵韻慶回歸	-	8,000.00
78	曉昇輝曲藝社	悠揚曲藝賀回歸十週年	-	8,000.00

	Name of Organization	Name of Activity	Amount of Subsidy (\$)	
			Government	DC
79	鯉魚門邨文藝團	慶祝香港特別行政區成立十周年	-	12,000.00
80	翠屏居民權益協進會	2007 翠屏集體舞蹈班慶回歸分享會	-	7,380.00
81	平田邨社區事務促進會	Teen 才藝能大比拼賀香港特區成立十週年音樂晚會	-	12,000.00
82	牛頭角社區協進會	歌舞昇平慶回歸	-	12,000.00
83	翠屏曲藝社	2007 年度“慶祝香港特別行政區成立十週年活動”和諧大合唱粵曲欣賞會	-	6,110.00
84	藍田區各界慶典委員會	慶祝香港回歸十周年	-	16,000.00
85	廣田邨居民聯會	普天同慶回歸十載情聯歡晚會	-	12,000.00
86	觀塘區家長教師會聯會	慶祝回歸十周年徵文比賽暨聯校綜合匯演	-	16,000.00
87	寶達社區事務促進會	親子慶回歸問答比賽	-	8,000.00
88	新青年秀茂坪	五四青年社區定向慶回歸	-	12,000.00
89	香港基督教服務處 順利長者鄰舍中心	香港回歸十載、長幼歡樂同賀	-	1,910.00
90	香港中華基督教青年會藍田會所	青年“會”聚慶回歸	-	16,000.00
91	寶達邨互委會聯會	“普天同慶賀回歸”十週年嘉年華	-	12,000.00
92	曉麗苑居屋業主立案法團	回歸十年齊慶賀	-	12,000.00
Sham Shui Po				
1	深水埗民政事務處、深水埗體育會、深水埗文藝協會、深水埗區文娛康樂促進會、美青體育康樂聯會	深水埗區十載慶回歸●種族共融綜合晚會	216,343.75	-
2	深水埗民政事務處、深水埗區學校聯絡委員會	認識祖國、認識香港一日遊	42,589.00	-
3	深水埗民政事務處、深水埗區公民教育委員會	熱愛祖國、熱愛香港巡迴展覽	58,584.20	-
4	深水埗民政事務處、深水埗區三個分區委員會	慶回歸粵劇欣賞	197,850.00	-
5	深水埗區議會宣傳工作小組	深水埗回歸足球賽	-	9,400.00
6	深水埗東分區委員會	“回歸十周年 國慶深東萬歲宴”	-	60,425.00
7	深水埗體育會有限公司	深水埗區參與慶祝香港回歸 10 周年龍舟競渡賽及集訓	-	50,210.00
8	深水埗文藝協會有限公司	喜迎香港特區回歸十周年兒童繪畫比賽	-	12,040.00
9	深水埗文藝協會有限公司	恭祝國慶 並賀回歸十周年中秋迎月文藝晚會	-	81,992.00
10	深水埗文藝協會有限公司	慶祝香港特區回歸十周年粵劇欣賞會	-	5,791.00
11	香港南北國術協會	“慶祝香港回歸 10 週年綜合晚會及國術表演”	-	24,201.00
12	深水埗南昌區居民商戶聯會	“月亮代表我的心 —— 慶回歸●賀中秋”聯歡活動	-	17,182.00
13	深水埗婦女聯合會	慶回歸●迎新禧●嘉年華 —— 2007	-	32,686.00
14	青暉婦女會	慶回歸十週年即席揮毫書畫比賽	-	11,286.00
15	香港聖公會李嘉誠護理安老院暨長者日間護理中心	回歸十載夏日遊	-	1,960.00
16	中華婦女事業協會	深水埗婦女慶回歸屏山文物徑一天遊	-	6,080.00

	Name of Organization	Name of Activity	Amount of Subsidy (\$)	
			Government	DC
17	中華青年事業協會	慶回歸暨平安夜聯歡晚會	-	4,100.00
18	蘇屋賢毅社	慶祝香港特別行政區成立十周年賢毅粵劇賀回歸共慶同歡樂	-	2,891.00
19	南昌邨業主立案法團	慶回歸，賀中秋南昌晚會	-	32,302.00
20	美孚新邨第二期業主立案法團	“慶回歸”活動 — 認識祖國文化、了解香港歷史	-	2,708.00
Southern				
1	南區慶祝香港特別行政區成立十周年籌備委員會	南區十載情沙灘音樂會	-	231,870.35
2	南區慶祝香港特別行政區成立十周年籌備委員會	慶祝香港特別行政區成立十周年宣傳計劃	50,000.00	328,921.60
3	南區慶祝香港特別行政區成立十周年籌備委員會	南區漁港婚 FUN 情	-	248,692.00
4	南區慶祝香港特別行政區成立十周年籌備委員會	回歸十周年香港特色建築物圖片展	-	20,808.50
5	南區四分區委員會	南區競技同樂日	-	49,528.90
6	南區清潔香港地區委員會	慶祝香港特別行政區成立十周年暨海港清潔、環保及三防推廣日	-	60,000.00
7	南區康樂體育促進會	南區水陸鐵人賽暨沙灘競跑	-	34,725.00
8	南區康樂體育促進會	南區慶祝香港特別行政區成立十周年水運會	-	44,662.50
9	南區康樂體育促進會	南區慶祝香港特別行政區成立十周年室內草地滾球四人隊際賽	-	23,561.00
10	南區文藝協進會	香港南區管弦樂團慶回歸十週年音樂會	-	103,110.00
11	南區文藝協進會	南區少年兒童合唱團童聲妙韻慶回歸十週年音樂會	-	89,785.00
12	南區文藝協進會	慶回歸十周年南區粵曲薈萃之夜	-	24,280.00
13	香港島各界聯合會、港島四區區議會及香港中國企業聯合會	港島歡騰賀回歸十周年 — 香港邁向新里程嘉年華	-	50,000.00
14	香港南區各界聯會	慶祝香港回歸祖國十周年之“一國兩制”基本法圖片展覽系列	-	4,312.00
15	香港南區各界聯會	慶祝香港特別行政區成立十周年嘉年華	-	51,740.00
16	香港南區各界聯會	慶祝香港特別行政區成立十周年敬老粵曲演唱晚會	-	13,504.00
17	香港南區各界聯會	特區政府成立十周年紀念盃暨女子足球明星表演賽	-	14,556.00
18	香港南區各界聯會	慶祝特區政府成立十周年翩翩舞技交流晚會	-	5,888.00
19	香港仔龍舟競渡大賽委員會	慶祝香港特區成立十周年暨香港仔龍舟競渡大賽	-	27,300.00
20	赤柱漁民娛樂會	群龍滙聚慶佛誕暨慶祝回歸十周年	-	17,433.00
21	南區空手道會	2007年南區空手道大賽暨回歸盃邀請賽	-	5,240.00
22	南區武術會	慶祝香港回歸十週年暨南區第五屆武術名家匯演	-	11,628.00

	Name of Organization	Name of Activity	Amount of Subsidy (\$)	
			Government	DC
23	紫荊匯藝軒	金裝粵劇折子戲寶賀特區成立十周年	-	6,400.00
24	香港健康大使協會	身心健康慶回歸和諧社區享繁榮綜合嘉年華	-	17,895.00
25	良馬樓互助委員會	慶回歸、賀國慶食足兩餐一天遊	-	3,000.00
26	南區慶祝香港特別行政區成立十周年籌備委員會	“成功10載”南區慶祝香港特別行政區成立十周年大匯演	550,000.00	-
Wan Chai				
1	灣仔區文娛康樂體育會、灣仔民政事務處	和諧圓融中秋夜	213,120.20	-
2	灣仔區青少年暑期活動統籌委員會、灣仔民政事務處	慶祝香港回歸十周年“香港特色競繽紛”青少年活動：問答及競技遊戲日	249,878.90	-
3	灣仔西分區委員會、灣仔民政事務處	十載回歸樂共鳴	341,756.10	-
4	聖雅各福群會	慶祝國慶暨香港特別行政區成立十周年活動 — 社區共融建和諧 綜合表演晚會	-	211,720.00
5	循道衛理中心	灣仔區慶祝香港特別行政區成立十周年 — “同證回歸十載情、互建社群樂共融”系列計劃	-	600,000.00
6	灣仔社區聯盟	灣仔區慶祝香港回歸十周年紀念暨2007年國慶盃足球邀請賽	-	60,400.00
7	香港島各界聯合會有限公司	港島歡騰賀回歸十周年 — 香港邁向新里程嘉年華	-	50,000.00
8	灣仔賢毅社	賢毅與您共慶回歸十載情綜合表演	-	10,000.00
9	大坑坊眾福利會大坑青年中心	青年人看回歸 10 周年	-	63,000.00
10	香港宋慶齡金鑰匙培訓基金會有限公司	慶祝香港回歸祖國 10 周年“大中華、港澳情、全國兒童心連心 2007”	-	10,000.00
11	彩雲軒	響應灣仔區議會慶祝回歸十週年活動	-	10,000.00
12	彩雲軒	慶祝特區成立十週年國慶同樂日	-	10,000.00
13	文娛會有限公司	慶祝香港特區政府成立 10 周年 — 文娛曲藝會知音	-	9,300.00
14	灣仔白鶴長者樂園	慶祝香港特別行政區政府成立十周年粵曲會知音	-	9,000.00
15	灣仔區大廈業主聯合總會	慶祝香港回歸祖國 10 周年“萬廈迎國慶粵劇曲藝晚會”	-	10,000.00
Wong Tai Sin				
1	黃大仙民政事務處、東九龍居民協會	升旗禮暨制服團體大匯操綜合表演	5,169.00	-
2	黃大仙學校聯絡委員會 黃大仙民政事務處合辦	國民教育專題研習比賽	7,560.00	-
3	黃大仙中學校長會黃大仙民政事務處合辦	聯校中文辯論比賽及即席演講比賽	6,930.00	-
4	安徒生會包威信中心	“晴天、雨天、3650天”特區回歸祖國十周年漫畫比賽	-	14,656.00
5	竹園邨街坊會	慶回歸晚餐共聚、倡和諧長幼一堂	-	20,000.00
6	東九龍青年社	慶祝香港回歸十週年活動 — 認識基本法、齊頌祖國心 2007	-	20,000.00
7	東九龍婦女協會	慶回歸十周年中國民藝嘉年華	-	20,000.00
8	香港民用航空事業職工總會	香港特區回歸十周年乒乓球賽	-	8,100.00

	Name of Organization	Name of Activity	Amount of Subsidy (\$)	
			Government	DC
9	香港氣功太極社	回歸盃國際太極推手賽及武術名師匯演賀回歸	-	212,000.00
10	黃大仙區議會財政常務及經濟事務委員會	慶祝國慶暨特區回歸十週年燈牌亮燈儀式	-	127,000.00
11	彩虹之友社	齊慶回歸十週年 — 彩虹嘉年華	-	19,680.00
12	彩雲邨商舖聯會	萬千光輝慶回歸十周年晚會	-	20,000.00
13	黃大仙中分區委員會	黃大仙區慶祝香港特別行政區成立十周年嘉年華	-	28,000.00
14	黃大仙北分區委員會	黃大仙北分區慶祝香港特區成立十週年聯歡晚會	-	77,000.00
15	黃大仙民生權益會	慶回歸社區和諧敬老歡樂晚會	-	16,000.00
16	黃大仙地區事務顧問委員會	黃大仙各界慶祝中華人民共和國成立58週年暨祝賀香港回歸十週年聯歡晚會	-	40,000.00
17	黃大仙西南分區委員會	齊慶香港回歸十載情嘉年華會	-	39,000.00
18	黃大仙東分區委員會	黃大仙東慶賀回歸十周年聯歡會	-	47,000.00
19	黃大仙長者關懷網絡	慶祝回歸10週年 — 敬老粵曲欣賞會	-	14,440.00
20	黃大仙區兒童合唱團	黃大仙兒童合唱團慶祝回歸十周年音樂會	-	42,500.00
21	黃大仙區康樂體育會	慶祝香港特別行政區成立十周年足球“回歸盃”四角友誼賽暨交流營	-	135,000.00
22	黃大仙區街坊福利促進會	慶祝香港特區政府回歸十周年聯歡嘉年華	-	20,000.00
23	蓄色園	百獅匯聚慶回歸	-	10,000.00
24	路德會采頤長者中心	和諧社區共創造、萬眾同歡賀回歸	-	9,700.00
25	樂姿舞坊	同慶回歸十載情樂姿歌舞贈坊眾	-	11,300.00
26	樂富居民聯會	慶祝回歸十周年綠色嘉年華	-	20,000.00
27	龍蟠苑 (A-F座) 業主立案法團	龍蟠慶賀回歸一天遊	-	5,600.00
Yau Tsim Mong				
1	旺角區大廈總會	響應香港特別行政區回歸祖國十周年慶典暨綜合表演大會	-	9,991.00
2	樂工團	慶祝回歸十周年之勁歌金曲齊共享	-	4,206.00
3	旺角街坊會有限公司	慶祝香港回歸十周年國際醒獅邀請賽	-	16,336.00
4	油尖之友社	慶祝香港回歸祖國十周年暨油尖之友社成立二十一周年聯歡晚會	-	21,039.00
5	西九龍詩歌舞區關注會	慶祝香港回歸十週年嘉年華會	-	6,627.00
6	油尖區康樂體育會有限公司	慶祝香港回歸十周年 — 敬老粵曲欣賞夜	-	10,000.00
7	油尖區賢毅社	慶祝香港特別行政區成立十周年暨油尖賢毅社2007-2010年度第二屆執行委員會就職典禮	-	40,510.00
8	油尖旺大廈組織及業主協會	慶祝十周年回歸海上一天遊	-	2,520.00
9	香港城市合唱團	慶祝香港回歸十周年“中港兩地和諧唱 — 香江回歸十載情”	-	6,710.00
10	旺角區居民協會	慶回歸10周年暨成立18周年會慶聯歡餐會	-	8,044.00

	Name of Organization	Name of Activity	Amount of Subsidy (\$)	
			Government	DC
11	油尖旺婦女會	慶祝特區政府成立十周年暨本會七周年會慶	-	10,611.00
12	香港亞洲歸主協會、維港灣長者會所	同慶回歸樂盈盈	-	1,468.00
13	香港樂群康樂會	海上暢遊煙花觀賞慶回歸	-	3,088.00
14	九龍西區各界協會有限公司	九龍西區各界慶祝中華人民共和國成立58周年暨香港回歸祖國十周年文藝晚會	-	11,195.00
15	大貴樓及大榮樓業主立案法團	慶祝十周年回歸新界一天遊	-	4,978.00
Islands				
1	東涌各界節慶籌備委員會	慶祝香港回歸十周年之動靜皆宜比賽系列：繪畫比賽	-	2,550.00
2	東涌各界節慶籌備委員會	慶祝香港回歸十周年之慶回歸籃球比賽	-	8,600.00
3	長洲婦女會	“慶回歸十周年紀念十大開心事件選舉”暨頌親恩聯歡聚餐	-	6,600.00
4	東涌各界節慶籌備委員會	慶祝香港回歸十周年之新城古鎮（東涌）結伴行	-	17,676.00
5	東涌各界節慶籌備委員會	慶祝香港回歸十周年之攝影比賽：美麗的都市、可愛的東涌	-	1,150.00
6	南丫南鄉事委員會	南丫南龍舟競賽慶回歸十周年	-	33,100.00
7	東涌各界節慶籌備委員會	慶祝香港回歸十周年之張燈結綵慶歡年	-	4,200.00
8	長洲鄉事委員會	賽龍奪錦賀生辰 — 慶祝香港特別行政區成立10周年	-	48,100.00
9	大澳鄉事委員會	迎回歸大澳區龍舟競渡賀端陽	-	32,440.00
10	東涌鄉事委員會	東涌鄉慶祝香港特別行政區成立十周年紀念	-	12,654.00
11	大澳鄉事委員會	大澳區各界慶祝香港特別行政區成立十周年聯歡會	-	14,090.00
12	香港東涌藝術團	慶祝香港特別行政區政府成立十周年紀念活動“東涌綜合藝術匯演”	-	14,400.00
13	長洲鄉事委員會青年綜合服務中心	足球繽紛慶回歸	-	1,445.00
14	長洲粵樂會	“笙歌妙韻慶回歸”粵曲、粵劇折子戲欣賞會	-	9,888.00
15	長洲鄉事委員會／香港三項鐵人總會	二零零七年水陸兩項鐵人比賽	-	10,796.00
16	香港離島文化藝術協會	慶祝香港特別行政區政府成立十周年紀念活動“舞藝展新姿 — 第四屆離島區舞蹈比賽”	-	7,098.00
17	長洲鄉事委員會	離島區慶祝香港回歸十周年 — 花車巡遊暨升旗禮	-	11,460.00
18	香港農牧職工會南丫島辦事處	慶祝特區成立十周年 親親白海豚	-	7,860.00
19	博愛醫院陳士修紀念社會服務中心	“回歸盃”七人足球賽	-	1,995.00
20	香港離島婦女聯會南丫島服務處	慶祝特區成立十周年 六人小型足球淘汰賽	-	4,170.00
21	香港聖公會東涌綜合服務	慶祝回歸十周年全心全意傳東涌	-	8,684.00
22	東涌各界節慶籌備委員會	慶祝香港回歸十周年之東涌一叮：歌王、舞王、扮野大王、技藝大王比賽	-	10,200.00

	Name of Organization	Name of Activity	Amount of Subsidy (\$)	
			Government	DC
23	香港離島文化藝術協會	慶祝香港特別行政區政府成立十周年紀念活動“東涌十年攝影展”	-	4,308.00
24	長洲鄉事委員會青年綜合服務中心	回歸十載慶歡騰	-	3,150.00
25	東涌各界節慶籌備委員會	“動感香港萬年青●活力東涌十載情”嘉年華	-	17,784.00
26	離島區議會慶祝香港特別行政區成立十周年紀念活動籌備委員會、離島八區鄉事委員會 寶蓮禪寺、東涌各界節慶籌備委員會、離島民政事務處	“佛光照耀香港、離島區全民舞動慶祝回歸十周年	811,500.00	-
27	離島區議會慶祝香港特別行政區成立十周年紀念活動籌備委員會、離島區體育會、康樂及文化事務署、離島民政事務處	慶祝香港回歸十周年全港彩艇大賽	-	200,000.00
28	離島區議會慶祝香港特別行政區成立十周年紀念活動籌備委員會、離島區體育會、康樂及文化事務署、離島民政事務處	離島區慶祝香港回歸十周年五人足球賽	-	155,884.00
29	裕東苑業主立案法團	屋苑樂聚十周年一天兩餐遊	-	4,980.00
30	離島區青年聯會	香港特別行政區成立十週年學生論壇暨第三屆“離島區傑出學生選舉”	-	10,734.00
31	樂滔滔曲藝社	慶回歸10周年弦歌妙韻樂滔滔嘉年華會	-	8,910.00
32	香港離島婦女聯會	慶祝香港回歸十周年暨萬家同頌父母恩嘉年華	-	13,896.00
33	離島區青年聯會南丫島聯絡處	南丫島慶祝香港回歸十周年五人籃球賽	-	4,920.00
34	香港農牧職工會離島辦事處	耆青同慶回歸十載樂悠遊	-	6,110.00
Kwai Tsing				
1	葵青區居民慶祝國慶及回歸聯會	慶祝香港特別行政區成立十周年葵青區醒獅比賽	197,695.00	-
2	葵青區居民慶祝國慶及回歸聯會	葵青區慶祝香港特別行政區成立十周年醒獅暨文藝匯演	239,460.50	-
3	葵涌及青衣區文藝協進會有限公司	慶祝香港回歸十周年活動葵青區藝墟	-	99,908.00
4	青衣合眾龍娛樂會	參與慶祝香港特別行政區成立十周年龍舟競渡	-	10,250.00
5	葵青區居民慶祝國慶及回歸聯會	葵青區慶祝中華人民共和國香港特別行政區成立十周年升旗禮	-	36,541.30
6	葵青區居民慶祝國慶及回歸聯會	慶祝香港特別行政區成立十周年葵青區嘉年華	-	76,420.70
7	葵青區居民慶祝國慶及回歸聯會	慶祝香港特別行政區成立十周年葵青區文藝匯演	-	217,814.00
North				
1	北區文藝協進會	精英薈萃慶回歸	-	30,000.00
2	北區各界慶祝香港回歸祖國活動委員會	北區各界慶祝香港特區成立十周年聯歡會暨頒獎禮	-	49,621.00
3	北區各界慶祝香港回歸祖國活動委員會	全城舞動慶回歸	-	14,500.00

	Name of Organization	Name of Activity	Amount of Subsidy (\$)	
			Government	DC
4	北區各界慶祝香港回歸祖國活動委員會	“回歸盃”足球邀請賽 2007	-	17,880.00
5	天平之友及太平之友	慶祝香港回歸十周年聚餐暨會員大會	-	6,260.00
6	新界社團聯會(北區地區委員會)	慶祝香港特區政府成立十周年聯歡茶聚	-	10,000.00
7	北區青少年暑期活動統籌委員會	慶祝香港特別行政區成立十周年暨 2007 北區青少年暑期活動開幕典禮	-	58,580.00
8	北區體育會	慶祝香港回歸祖國十周年兩岸四地龍舟邀請賽	-	32,500.00
9	北區中學校長會	慶祝回歸十周年徵文比賽	-	19,350.00
10	石湖墟商會	北區中秋敬老齊宴慶回歸	-	10,000.00
11	香港藝術團有限公司	香港特別行政區成立十週年文化藝術交流活動暨 2007 香港國際少年兒童文化藝術節	-	21,610.00
12	北區體育會	慶祝香港特別行政區成立十周年 — 北區第 22 屆水運會	-	4,250.00
13	北區文藝協進會	精英薈萃慶回歸	53,800.00	-
14	北區太極氣功十八式	太極氣功賀回歸	38,575.00	-
15	北區民政事務處、香港宣教會白普理上水家庭中心	北區家庭同樂日	140,000.00	-
16	北區民政事務處、香港宣教會白普理上水家庭中心	連場話劇賀回歸	80,000.00	-
17	北區民政事務處、香港宣教會白普理上水家庭中心	北區家庭歡樂日營	64,500.00	-
18	北區民政事務處、香港宣教會白普理上水家庭中心	北區家庭歡樂遊	75,000.00	-
Sai Kung				
1	西貢民政事務處、西貢區各界慶祝香港回歸祖國十周年籌備委員會	和諧西貢嘉年華開幕禮	435,310.00	-
2	西貢民政事務處、2007 年西貢區龍舟競渡籌備委員會	兩岸四地龍舟邀請賽	616,900.00	204,496.00
3	西貢民政事務處、西貢區各界慶祝香港回歸祖國十周年籌備委員會	西貢旅遊文化節之共賞西貢城鄉風情遊	145,712.00	-
4	西貢民政事務處、西貢區議會	西太平洋區健康城市聯盟香港支部成立典禮暨健康城市論壇	542,639.00	-
5	西貢民政事務處、西貢區議會、漁農自然護理署	西貢健行日	39,700.00	56,250.00
Sha Tin				
1	沙田文藝協會	陶花璀璨十載情 — 沙田文藝協會香港回歸十周年陶藝匯展	-	32,566.00
2	劍藝會	香港回歸十周年紀念中港澳劍擊邀請賽	-	11,000.00
3	新月樓互助委員會	萬家歡騰慶回歸	-	4,200.00
4	香港工會聯合會新界東沙田地區服務處	慶回歸單車馬拉松	-	6,700.00
5	嚟啲喂樂善坊	妙韻敬老賀回歸	-	3,100.00

	Name of Organization	Name of Activity	Amount of Subsidy (\$)	
			Government	DC
6	馬鞍山樂軒文藝會	慶祝香港回歸十周年暨馬鞍山樂軒文藝會成立二週年紀念聯歡會	-	3,500.00
7	沙田居民協會(利安綜合服務中心)	慶祝香港回歸十周年“武舞嘉年華觀摩大匯演”	-	8,900.00
8	2006/2007 沙田節統籌委員會	沙田節十公里長跑比賽慶回歸十週年	-	132,146.40
9	沙田各界慶委會	沙田各界慶祝香港回歸十週年活動	-	149,350.00
10	沙田區議會公共關係工作小組	慶祝香港回歸十周年龍舟競渡(參賽)	-	6,766.00
11	2006/2007 沙田節統籌委員會	沙田節沙田萬人紫荊操暨香港回歸十周年慶典	-	789,000.00
12	馬鞍山民康促進會	香港特別行政區成立十周年慶祝活動特區十載繞樑三日儷影笙歌今晚夜2007	-	9,000.00
13	馬鞍山舞蹈團	香港特別行政區成立十周年慶祝活動特區十載繞樑三日爵士舞大匯演2007	-	9,000.00
14	沙田節統籌委員會	慶祝香港特別行政區成立十周年——沙田萬人紫荊操	216,395.40	-
Tai Po				
1	大埔區龍舟競賽委員會	2007 年度大埔區龍舟競賽賀回歸十周年	-	750,000.00
2	大埔區議會社會服務委員會	歡欣佳節敬老獻溫情系列活動2007之端陽敬老匯演暨回歸十周年慶祝活動	-	67,880.10
3	大埔各界協會	大埔各界慶祝香港回歸祖國十周年紀念	-	116,000.00
4	大埔體育會	奔向回歸十周年子夜長跑比賽	-	301,088.00
5	大埔文藝協進會	慶祝香港回歸十周年全國少兒優秀書畫展及第五屆少兒書畫耀香江美術精品展暨頒獎典禮	-	31,075.90
6	大埔民政事務處及大埔區慶祝香港回歸十週年紀念活動委員會有限公司	大埔萬家共慶回歸十載情——海、陸、空繽紛嘉年華	2,250,000.00	-
Tsuen Wan				
1	荃灣區議會	荃灣區慶回歸十周年江蘇省藝術團大匯演暨酒會	-	546,414.00
2	荃灣區議會	慶祝香港回歸10周年龍舟競渡	-	36,550.00
3	荃灣區議會	荃灣區慶回歸十周年青少年歌唱比賽	-	97,685.00
4	朗月康樂會	載歌載舞慶回歸，愛國愛港十載情	-	1,162.50
5	海濱體育會	慶回歸十周年三人籃球邀請賽、慶回歸十周年足球邀請賽、慶回歸十周年青少年足球邀請賽	-	22,284.00
6	祈德尊曲藝社	愛國愛港慶祝回歸10週年嘉年華	-	10,580.00
7	香港越劇藝術研究會	慶祝回歸十周年中國越劇欣賞	-	5,112.50
8	荃灣葵青居民聯會	共慶回歸十載情	-	17,878.00
9	荃灣區長者福利會	滿懷喜悅慶回歸——長幼同樂渡頤年	-	8,653.00
10	新界西文娛康樂協會	慶祝回歸十週年文藝欣賞會	-	13,582.50
11	荃灣舞蹈社	荃盛共舞迎回歸十週年社交舞晚會	-	7,867.00
12	美髮研集社	香港慶回歸10週年時尚潮流嘉年華	-	6,562.00
13	聲韻飄揚曲藝社	慶祝香港回歸10週年聲韻戲曲欣賞晚會	-	8,624.00

	Name of Organization	Name of Activity	Amount of Subsidy (\$)	
			Government	DC
14	海濱花園業主委員會	慶回歸十周年演唱會 日場：縵縵心曲海濱情演唱會 夜場：陸耀情懷演唱會	-	14,112.00
15	聲藝文化協會	聲藝樂唱賀回歸	-	7,494.50
16	荃灣各界慶祝香港回歸祖國十周年籌備委員會	荃家心繫祖國慶回歸十載倒數活動暨第七屆華語音樂傳媒大賞	650,000.00	-
17	荃灣各界慶祝香港回歸祖國十周年籌備委員會	圓玄繽紛煙火耀荃城	150,000.00	-
18	荃灣各界慶祝香港回歸祖國十周年籌備委員會	荃灣區慶回歸十周年江蘇省藝術團大匯演	100,000.00	-
19	荃灣各界慶祝香港回歸祖國十周年籌備委員會	荃灣區慶回歸十周年巡遊大匯演	100,000.00	-
Tuen Mun				
1	屯門區議會、屯門民政事務處	屯門區慶祝香港特別行政區成立十周年認識祖國巡迴展覽	47,600.00	-
2	屯門區議會、屯門民政事務處	屯門區慶祝香港特別行政區成立十周年屯門區活動開幕禮	69,600.00	-
3	屯門區議會、屯門民政事務處	屯門區慶祝香港特別行政區成立十周年嘉年華會	289,000.00	-
4	屯門區議會、屯門民政事務處	屯門區慶祝香港特別行政區成立十周年綜藝晚會	-	299,606.80
5	屯門區議會、屯門民政事務處	屯門區慶祝香港特區成立十周年燈柱彩旗設計比賽	116,140.00	-
6	基督復臨安息日會、山景綜合青少年服務中心	香港回歸十周年行大運	-	1,560.00
7	屯門育智中心	同慶回歸十週年	-	775.00
8	友愛居民服務協會	慶回歸十週年國際兒童節嘉年華	-	12,865.00
9	屯門青年協會	慶祝香港回歸十周年文藝匯演暨 2007 年度屯門區傑出學生頒獎禮	-	9,637.00
10	仁愛堂社區中心	十年回歸 — 青年才藝匯萃	-	14,139.00
11	屯門社群協進會	慶回歸 10 周年夏日嘉年華	-	14,035.00
12	屯門農牧同業促進會	慶祝香港回歸 10 週年歌藝匯演	-	11,650.00
13	笑口棗	回歸十週年嘉年華	-	12,010.00
14	屯門區議會財務、行政及宣傳委員會	慶祝香港特別行政區成立十周年活動中央宣傳推廣	-	27,500.00
Yuen Long				
1	元朗區慶祝香港特別行政區成立十周年統籌委員會及元朗民政事務處	元朗藝墟暨觀光巴士遊	216,140.00	214,910.50
2	元朗區慶祝香港特別行政區成立十周年統籌委員會及元朗民政事務處	體藝晚會	167,480.00	-
3	元朗區慶祝香港特別行政區成立十周年統籌委員會及元朗民政事務處	2008 年北京奧運巡禮	41,299.20	-
4	元朗區慶祝香港特別行政區成立十周年統籌委員會	元朗區慶祝香港特別行政區成立十周年文藝綜合表演	-	83,687.00
5	元朗區慶祝香港特別行政區成立十周年統籌委員會	元朗區慶祝香港特別行政區成立十周年酒會	-	60,100.00
6	元朗區慶祝香港特別行政區成立十周年統籌委員會	元朗區慶祝香港特別行政區成立十周年宣傳活動	-	264,942.60

	Name of Organization	Name of Activity	Amount of Subsidy (\$)	
			Government	DC
7	元朗區慶祝香港特別行政區成立十周年統籌委員會及元朗民政事務處	元朗區慶祝香港特別行政區成立十周年彩旗設計比賽暨懸掛彩旗宣傳活動	216,953.50	-
8	元朗民政事務處、康樂及文化事務署、建築署及元朗區慶祝香港特別行政區成立十周年統籌委員會	元朗區慶祝香港特別行政區成立十周年活動啟動禮暨植樹日	76,402.60	-

Service and Manpower of Clinical Departments of Public Hospitals

13. **DR KWOK KA-KI** (in Chinese): *President, will the Government inform this Council whether it knows the following information concerning the Pamela Youde Nethersole Eastern Hospital, Ruttonjee Hospital, Queen Mary Hospital, Queen Elizabeth Hospital, United Christian Hospital, Tseung Kwan O Hospital, Yan Chai Hospital, Caritas Medical Centre, Princess Margaret Hospital, Kwong Wah Hospital, Prince of Wales Hospital, North District Hospital, Alice Ho Miu Ling Nethersole Hospital, Pok Oi Hospital and Tuen Mun Hospital (to be listed in the tables below):*

- (a) *the annual attendances of the clinical departments in each of the past five years; and*

	Clinical department							
	Ear, Nose and Throat		Medicine		Orthopaedics		Surgery	
	Out-patient	Outreach	Out-patient	Outreach	Out-patient	Outreach	Out-patient	Outreach
<i>Attendances at the relevant hospital</i>								
<i>Pamela Youde Nethersole Eastern Hospital</i>								
<i>Ruttonjee Hospital</i>								

- (b) *the staff establishment of the clinical departments in each of the past five years and their present strength?*

		<i>Ear, Nose and Throat</i>					<i>Present strength</i>
		<i>Establishment</i>					
<i>Hospital</i>	<i>Ranks of doctors</i>	<i>2003</i>	<i>2004</i>	<i>2005</i>	<i>2006</i>	<i>2007</i>	
<i>Pamela Youde Nethersole Eastern Hospital</i>	<i>Consultant</i>						
	<i>Senior Medical Officer/Associate Consultant</i>						
	<i>Medical Officer/Resident</i>						
<i>Ruttonjee Hospital</i>	<i>Consultant</i>						
	<i>Senior Medical Officer/Associate Consultant</i>						
	<i>Medical Officer/Resident</i>						

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

- (a) The attendances of clinical departments of the relevant hospitals under the Hospital Authority (HA) in each of the past five years are set out in Annex 1.

As regards outreach service, the HA has set up under the medicine departments Community Geriatric Assessment Teams (CGATs), which comprises geriatricians, nurses, physiotherapists, occupational therapists and social workers to provide elders living in residential care homes for the elderly (RCHEs) with outreach medical consultations and referral service of specialist consultations. In addition, starting from 2003-2004, the HA has also appointed private medical practitioners as Visiting Medical Officers (VMOs) to provide medical consultation for RCHEs residents with stable chronic illness and sudden onset of minor and sub-acute disease. The VMOs also provide follow-up consultations for discharged RCHE residents as referred by CGATs, and assist in monitoring the health conditions of RCHE residents during outbreaks of infectious disease.

- (b) The staff establishment of relevant clinical departments of hospitals in each of the past five years and their present strength are set out at Annex 2.

Attendances of Clinical Departments in relevant HA Hospitals

2002-2003	<i>Attendances of specialist out-patient services</i>				<i>Number of outreach attendances by CGATs</i>
	<i>Ear, Nose and Throat</i>	<i>Medicine</i>	<i>Orthopaedics</i>	<i>Surgery</i>	
Hong Kong East Cluster (Note)					
Pamela Youde Nethersole Eastern Hospital	36 693	123 622	64 305	53 304	-
Ruttonjee Hospital	1 383	67 084	8 228	26 488	109 083
Hong Kong West Cluster (Note)					
Queen Mary Hospital	20 212	143 386	42 290	97 750	-
Kowloon Central Cluster (Note)					
Queen Elizabeth Hospital	76 153	164 867	75 104	100 760	14 867
Kowloon East Cluster (Note)					
United Christian Hospital	17 521	125 818	57 168	57 670	28 996
Tseung Kwan O Hospital	3 900	36 603	21 357	19 550	-
Kowloon West Cluster (Note)					
Yan Chai Hospital	47 501	72 303	22 805	37 413	-
Caritas Medical Centre	11 558	110 054	26 232	32 745	26 216
Princess Margaret Hospital	-	143 592	49 385	69 648	46 118
Kwong Wah Hospital	11 023	115 177	44 645	49 825	30 199
New Territories East Cluster (Note)					
Prince of Wales Hospital	27 204	144 027	69 997	57 553	-
North District Hospital	6 097	61 004	30 141	28 194	8 317
Alice Ho Miu Ling Nethersole Hospital	18 183	66 093	26 091	27 870	-
New Territories West Hospital (Note)					
Pok Oi Hospital	-	14 586	1 903	2 823	-
Tuen Mun Hospital	34 728	130 950	69 745	58 229	44 374

Note: The hospitals listed under each Cluster only include those specified in the question, not all the hospitals within that Cluster.

2003-2004	<i>Attendances of specialist out-patient services</i>				<i>Number of outreach attendances by CGATs</i>	<i>Number of attendances by visiting medical officers</i>
	<i>Ear, Nose and Throat</i>	<i>Medicine</i>	<i>Orthopaedics</i>	<i>Surgery</i>		
Hong Kong East Cluster (Note)						
Pamela Youde Nethersole Eastern Hospital	29 072	112 003	46 132	43 953	-	-
Ruttonjee Hospital	2 464	63 782	13 229	20 910	62 866	6 015
Hong Kong West Cluster (Note)						
Queen Mary Hospital	16 803	137 636	38 391	94 651	-	-
Kowloon Central Cluster (Note)						
Queen Elizabeth Hospital	61 371	178 454	54 875	89 092	13 348	1 202
Kowloon East Cluster (Note)						
United Christian Hospital	15 166	117 458	47 044	45 183	30 836	2 764
Tseung Kwan O Hospital	2 812	38 615	19 940	17 373	-	-
Kowloon West Cluster (Note)						
Yan Chai Hospital	35 412	65 288	20 979	28 181	-	-
Caritas Medical Centre	8 928	99 009	22 892	28 802	24 013	2 671
Princess Margaret Hospital	-	128 976	41 319	53 797	45 107	2 163
Kwong Wah Hospital	10 245	106 773	36 899	46 700	25 648	3 033
New Territories East Cluster (Note)						
Prince of Wales Hospital	23 204	136 691	61 765	45 577	-	-
North District Hospital	3 625	51 849	28 243	27 930	12 629	2 232
Alice Ho Miu Ling Nethersole Hospital	15 285	57 840	21 417	14 829	-	3 239
New Territories West Hospital (Note)						
Pok Oi Hospital	-	12 488	835	285	-	-
Tuen Mun Hospital	33 363	128 531	59 343	51 072	79 997	3 348

Note: The hospitals listed under each Cluster only include those specified in the question, not all the hospitals within that Cluster.

2004-2005	<i>Attendances of specialist out-patient services</i>				<i>Number of outreach attendances by CGATs</i>	<i>Number of attendances by visiting medical officers</i>
	<i>Ear, Nose and Throat</i>	<i>Medicine</i>	<i>Orthopaedics</i>	<i>Surgery</i>		
Hong Kong East Cluster (Note)						
Pamela Youde Nethersole Eastern Hospital	28 956	122 845	43 157	50 858	-	-
Ruttonjee Hospital	2 586	68 495	9 800	21 805	93 166	12 855
Hong Kong West Cluster (Note)						
Queen Mary Hospital	20 918	142 295	37 980	99 146	-	-
Kowloon Central Cluster (Note)						
Queen Elizabeth Hospital	63 231	179 260	59 472	97 580	16 598	2 905
Kowloon East Cluster (Note)						
United Christian Hospital	18 657	133 120	50 385	50 235	36 477	4 632
Tseung Kwan O Hospital	3 390	47 289	21 397	19 292	-	-
Kowloon West Cluster (Note)						
Yan Chai Hospital	35 988	69 884	22 861	25 889	-	-
Caritas Medical Centre	8 372	96 600	21 581	32 244	22 729	4 927
Princess Margaret Hospital	-	149 595	43 895	56 804	45 859	5 924
Kwong Wah Hospital	12 340	114 000	33 065	47 204	37 295	9 223
New Territories East Cluster (Note)						
Prince of Wales Hospital	25 820	142 199	63 599	49 506	-	-
North District Hospital	1 208	54 936	31 370	37 416	20 280	6 249
Alice Ho Miu Ling Nethersole Hospital	15 965	57 220	25 071	5 634	24 719	7 709
New Territories West Hospital (Note)						
Pok Oi Hospital	-	10 017	202	-	-	-
Tuen Mun Hospital	38 375	136 777	60 797	58 288	89 578	4 570

Note: The hospitals listed under each Cluster only include those specified in the question, not all the hospitals within that Cluster.

2005-2006	<i>Attendances of specialist out-patient services</i>				<i>Number of outreach attendances by CGATs</i>	<i>Number of attendances by visiting medical officers</i>
	<i>Ear, Nose and Throat</i>	<i>Medicine</i>	<i>Orthopaedics</i>	<i>Surgery</i>		
Hong Kong East Cluster (Note)						
Pamela Youde Nethersole Eastern Hospital	26 907	129 620	40 115	49 366	-	-
Ruttonjee Hospital	2 842	73 406	9 447	23 685	107 323	16 482
Hong Kong West Cluster (Note)						
Queen Mary Hospital	19 381	144 451	38 573	100 240	-	-
Kowloon Central Cluster (Note)						
Queen Elizabeth Hospital	60 564	178 376	60 127	92 486	16 525	2 886
Kowloon East Cluster (Note)						
United Christian Hospital	19 307	133 843	50 009	50 954	35 414	5 935
Tseung Kwan O Hospital	2 317	50 793	22 210	19 593	-	-
Kowloon West Cluster (Note)						
Yan Chai Hospital	36 712	68 234	22 248	25 511	-	-
Caritas Medical Centre	8 291	100 415	20 360	33 639	20 953	3 819
Princess Margaret Hospital	-	153 022	40 495	52 220	56 196	12 324
Kwong Wah Hospital	11 423	116 778	25 722	48 541	42 801	9 134
New Territories East Cluster (Note)						
Prince of Wales Hospital	24 864	141 392	59 840	49 403	-	-
North District Hospital	540	57 161	30 999	36 598	29 627	4 450
Alice Ho Miu Ling Nethersole Hospital	14 371	54 889	20 849	1 988	24 348	3 209
New Territories West Hospital (Note)						
Pok Oi Hospital	-	8 647	251	-	-	-
Tuen Mun Hospital	39 476	132 896	57 345	54 389	98 354	7 946

Note: The hospitals listed under each Cluster only include those specified in the question, not all the hospitals within that Cluster.

2006-2007	<i>Attendances of specialist out-patient services</i>				<i>Number of outreach attendances by CGATs</i>	<i>Number of attendances by visiting medical officers</i>
	<i>Ear, Nose and Throat</i>	<i>Medicine</i>	<i>Orthopaedics</i>	<i>Surgery</i>		
Hong Kong East Cluster (Note)						
Pamela Youde Nethersole Eastern Hospital	26 037	132 358	40 425	50 687	-	-
Ruttonjee Hospital	2 990	74 135	10 103	23 105	109 527	20 095
Hong Kong West Cluster (Note)						
Queen Mary Hospital	14 663	144 227	39 031	98 842	-	-
Kowloon Central Cluster (Note)						
Queen Elizabeth Hospital	57 769	179 414	59 029	89 971	27 053	8 157
Kowloon East Cluster (Note)						
United Christian Hospital	19 379	126 175	44 914	47 880	34 698	8 164
Tseung Kwan O Hospital	890	52 428	23 130	19 128	-	-
Kowloon West Cluster (Note)						
Yan Chai Hospital	39 479	70 617	22 128	23 762	-	-
Caritas Medical Centre	8 356	102 272	20 069	30 763	24 567	6 349
Princess Margaret Hospital	-	156 994	36 396	52 636	59 050	15 126
Kwong Wah Hospital	10 425	120 570	28 256	48 244	39 899	12 817
New Territories East Cluster (Note)						
Prince of Wales Hospital	28 006	144 962	55 624	49 533	-	-
North District Hospital	617	56 966	27 115	34 373	31 088	7 008
Alice Ho Miu Ling Nethersole Hospital	16 837	52 855	20 716	2 549	24 661	7 427
New Territories West Hospital (Note)						
Pok Oi Hospital	-	8 355	321	-	-	-
Tuen Mun Hospital	38 154	128 817	54 841	56 238	87 243	14 429

Note: The hospitals listed under each Cluster only include those specified in the question, not all the hospitals within that Cluster.

Staff Establishment and Present Strength of Clinical Departments under the HA (Note 1)

Hospitals	Rank of Medical Officers	Ear, Nose and Throat					Present strength (Note 4)	Medicine (Note 2)					Present strength (Note 4)	Orthopaedics					Present strength (Note 4)	Surgery					Present strength (Note 4)
		Establishment (Note3)						Establishment (Note3)						Establishment (Note3)						Establishment (Note3)					
		2003	2004	2005	2006	2007	2003	2004	2005	2006	2007	2003	2004	2005	2006	2007	2003	2004	2005	2006	2007	2003	2004	2005	2006
Hong Kong East Cluster (Note 5)																									
Pamela Youde Nethersole Eastern Hospital/Ruttonjee Hospital	Consultant	1	1	1	1	1	1	11	11	11	11	11	11	3	2	2	3	3	3	5	4	4	5	5	5
	Senior Medical Officer/Associate	2	2	2	2	2	2	20	19	19	20	22	23	5	5	5	5	5	5	9	9	9	9	7	9
	Consultant																								
	Specialist/Resident	6	5	6	6	6	5	76	78	86	91	91	90	22	20	20	21	22	22	28	26	27	27	30	28
	Visiting Medical Officer (Note 6)	0	0	0	0	0	0	0	2	2	2	2	2	0	0	0	0	0	0	0	0	0	0	0	0
	Sub-total	9	8	9	9	9	8	107	110	118	124	126	126	30	27	27	29	30	30	42	39	40	41	42	42
Hong Kong West Cluster (Note 5)																									
Queen Mary Hospital	Consultant	-	-	-	-	-	-	5	5	5	6	6	7	2	1	-	2	2	2	4	4	3	5	7	9
	Senior Medical Officer/Associate	1	1	1	1	2	2	11	13	12	13	11	12	4	5	5	5	5	5	9	9	9	10	7	9
	Consultant																								
	Specialist/Resident	3	3	3	3	2	3	43	45	45	44	48	46	17	13	14	15	16	14	35	32	36	34	36	39
	Visiting Medical Officer (Note 6)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Sub-total	4	4	4	4	4	5	59	63	62	63	65	65	23	19	19	22	23	21	48	45	48	49	50	57

Hospitals	Rank of Medical Officers	Ear, Nose and Throat					Medicine (Note 2)					Orthopaedics					Surgery									
		Establishment (Note3)					Present strength (Note 4)	Establishment (Note3)					Present strength (Note 4)	Establishment (Note3)					Present strength (Note 4)							
		2003	2004	2005	2006	2007		2003	2004	2005	2006	2007		2003	2004	2005	2006	2007		2003	2004	2005	2006	2007		
Kowloon Central Cluster (Note 5)																										
Queen Elizabeth Hospital	Consultant	3	3	3	3	3	3	11	10	10	9	10	9	6	6	6	6	6	6	8	8	8	8	8	7	
	Senior Medical Officer/Associate	4	2	2	2	2	2	15	14	16	18	18	19	8	6	6	6	6	6	12	11	10	11	11	12	
	Consultant																									
	Specialist/Resident	4	6	6	6	6	6	59	64	62	62	66	70	19	19	20	20	19	20	30	30	30	26	27	30	
	Visiting Medical Officer (Note 6)	0	0	0	0	0	0	0	1	0	1	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0
	Sub-total	11	11	11	11	11	11	85	88	88	89	94	98	33	31	32	32	31	32	50	49	48	45	46	49	
Kowloon East Cluster (Note 5)																										
United Christian Hospital/Tseung Kwan O Hospital	Consultant	1	1	1	1	1	1	7	7	7	7	7	7	4	4	4	4	4	4	5	5	5	5	5	5	
	Senior Medical Officer/Associate	1	1	1	1	1	0	20	19	18	21	21	21	7	7	6	8	8	8	14	13	11	13	13	11	
	Consultant																									
	Specialist/Resident	5	6	6	4	6	6	66	69	77	75	74	74	28	27	28	27	26	25	33	28	28	30	30	32	
	Visiting Medical Officer (Note 6)	0	0	0	0	0	0	0	1	0	1	1	1	0	0	0	0	0	0	0	0	0	0	0	0	
	Sub-total	7	8	8	6	8	7	93	96	102	104	103	103	39	38	38	39	38	37	52	46	44	48	48	48	

Hospitals	Rank of Medical Officers	Ear, Nose and Throat					Medicine (Note 2)					Orthopaedics					Surgery								
		Establishment (Note3)					Present strength (Note 4)	Establishment (Note3)					Present strength (Note 4)	Establishment (Note3)					Present strength (Note 4)						
		2003	2004	2005	2006	2007		2003	2004	2005	2006	2007		2003	2004	2005	2006	2007		2003	2004	2005	2006	2007	
Kowloon West Cluster (Note 5)																									
Princess Margaret Hospital/Kwong Wah Hospital/Caritas Medical Centre/ Yan Chai Hospital	Consultant	1	1	1	1	1	1	24	23	23	22	23	23	11	11	10	9	9	9	14	14	13	14	15	13
	Senior Medical Officer/Associate	2	2	3	3	5	5	46	46	47	48	49	51	13	12	12	14	13	14	24	24	23	23	23	25
	Consultant																								
	Specialist/Resident	9	8	7	8	7	9	152	157	152	154	151	160	40	37	37	40	41	43	64	60	59	58	59	60
	Visiting Medical Officer (Note 6)	0	0	0	0	0	0	0	4	4	6	5	4	0	0	0	0	0	0	0	0	0	0	0	0
	Sub-total	12	11	11	12	13	15	222	230	226	230	229	238	64	60	59	63	63	66	102	98	95	95	97	98
New Territories East Cluster (Note 5)																									
Prince of Wales Hospital/Alice Ho Miu Ling Nethersole Hospital/North District Hospital	Consultant	1	1	1	1	1	1	10	10	11	11	11	11	6	6	6	5	5	5	5	6	4	6	6	6
	Senior Medical Officer/Associate	5	5	4	5	5	5	19	21	21	25	24	23	11	11	10	12	15	15	12	10	12	15	13	16
	Consultant																								
	Specialist/Resident	10	9	10	9	9	8	89	89	87	86	94	97	46	45	43	41	39	41	51	51	45	45	52	53
	Visiting Medical Officer (Note 6)	0	0	0	0	0	0	0	0	0	2	2	2	0	0	0	0	0	0	0	0	0	0	0	0
	Sub-total	16	15	15	15	15	14	118	120	119	124	131	133	63	62	59	58	59	61	68	67	61	66	71	75

Hospitals	Rank of Medical Officers	Ear, Nose and Throat					Medicine (Note 2)					Orthopaedics					Surgery								
		Establishment (Note3)					Present strength (Note 4)	Establishment (Note3)					Present strength (Note 4)	Establishment (Note3)					Present strength (Note 4)						
		2003	2004	2005	2006	2007		2003	2004	2005	2006	2007		2003	2004	2005	2006	2007		2003	2004	2005	2006	2007	
New Territories West Cluster (Note 5)																									
Tuen Mun Hospital/Pok Oi Hospital	Consultant	1	1	1	1	1	1	9	9	9	9	9	10	3	3	3	2	4	4	7	7	7	6	6	6
	Senior Medical Officer/Associate Consultant	2	2	1	2	2	2	15	14	14	15	17	20	8	8	7	8	8	8	9	10	8	9	9	8
	Specialist/Resident	7	6	7	7	7	7	57	70	75	71	79	82	17	19	20	21	21	25	24	21	22	23	26	32
	Visiting Medical Officer (Note 6)	0	0	0	0	0	0	0	1	0	2	2	1	0	0	0	0	0	0	0	0	0	0	0	0
	Sub-total	10	9	9	10	10	10	81	94	98	97	107	113	28	30	30	31	33	37	40	38	37	38	41	46

Note:

- (1) As the condition and complexity of each case varies, the workload of relevant staff cannot be assessed simply based on the number of cases handled and the relevant number of medical officers. Generally speaking, medical officers are responsible for rendering services for the whole continuum of service spanning from in-patient to ambulatory and out-patient care.
- (2) The strength in respect of medical officers in the medicine specialty includes those serving in the medicine, hospice, convalescence and rehabilitation specialties.
- (3) The establishment figures for 2003, 2004, 2005, 2006 and 2007 refer to those as at 31 March of the respective year.
- (4) The figures for present strength refer to those as at 31 October 2007.
- (5) The hospitals listed under each Cluster only include those specified in the question, not all the hospitals within that Cluster.
- (6) Visiting medical officers are employed on a part-time basis and are only employed by some hospitals within various Clusters.

Quality of Diesel Sold in Hong Kong and on the Mainland

14. **DR DAVID LI:** *President, the Government has indicated in a press release dated 17 November 2006 that it will continue to work with the Mainland to improve the quality of the diesel sold there. On the other hand, it has recently been reported that the Government's \$3.2 billion incentive scheme to encourage owners of older diesel vehicles to switch to Euro IV vehicles is not well supported by cross-boundary vehicle owners. These owners are concerned that the diesel sold on the Mainland does not meet the specifications required for Euro IV diesel engines. They prefer to use such diesel whenever possible, as it is significantly cheaper than that sold in Hong Kong. In this connection, will the Government inform this Council:*

- (a) of the official framework under which the quality of diesel sold in both places is considered; the number of meetings held since 17 November 2006 to discuss diesel quality under this framework; the date of the next scheduled meeting; and the progress made last year on standardizing the quality of diesel sold in both places;*
- (b) whether it knows the quantity of diesel produced by mainland refineries in 2006 that met the Hong Kong ultra-low sulphur diesel (ULSD) specification, the respective percentages of such quantity in the total diesel consumption in Hong Kong and in Guangdong Province in 2006, as well as the estimated capacity of mainland refineries to produce ULSD mandated in Hong Kong in 2007, 2008 and 2009; and*
- (c) whether the Government has assessed if the above incentive scheme is not meeting its objectives and; if the assessment results indicate such failure of the scheme, whether it will consider withdrawing the scheme and replacing it with a subsidy on ULSD in Hong Kong for a period of two years, in order to maintain a price equilibrium with diesel sold on the Mainland, while at the same time greatly stepping up efforts to standardize the quality of diesel sold in both places?*

SECRETARY FOR THE ENVIRONMENT: President,

- (a) The Hong Kong — Guangdong Joint Working Group on Sustainable Development and Environmental Protection (the Joint Working*

Group), which is co-chaired by the Secretary for the Environment and the Director of the Guangdong Environmental Protection Bureau, acts as the official channel for Hong Kong and Guangdong to discuss environmental issues of mutual concern. Raising motor vehicle emission standards and motor vehicle fuel quality are among the measures being pursued by both Hong Kong and the Guangdong authorities to reduce air pollutant emissions in the Pearl River Delta (PRD) Region. The subject therefore features regularly in the Joint Working Group's deliberations on improving regional air quality. The Joint Working Group last met in December 2006. The next meeting is scheduled for December 2007.

In addition, the Joint Working Group has set up, *inter alia*, an Expert Group and a Special Panel on Pearl River Delta on Air Quality Management and Monitoring where the promotion of cleaner fuels is a regular issue being discussed. The Expert Group and the Special Panel met recently in November and October 2007 respectively to discuss and review progress of the collaboration efforts by both sides, including the use of cleaner fuels.

We understand that starting from mid-April this year, all petrol filling stations in Shenzhen would only supply motor vehicle diesel of sulphur content not greater than 0.035%, which represents an 83% reduction in sulphur content as compared with the diesel allowed before April this year. The reduction is even more significant at 93% when compared with the sulphur content of motor vehicle diesel allowed before 2002. In addition, Guangdong is working to further advance the introduction of motor vehicle diesel of this quality in the whole province ahead of the national timetable of December 2009. We will continue to work with our Guangdong counterparts on the continued improvement of motor vehicle fuel quality.

- (b) We do not possess information relating to the production of diesel by the mainland refineries.
- (c) To further reduce vehicle emissions, the Government launched a \$3.2 billion scheme on 1 April 2007 to provide a time-limited one-off grant to vehicle owners to encourage them to replace their

pre-Euro and Euro I diesel commercial vehicles with those complying with the prevailing statutory emission standards for newly registered vehicles (which is now the Euro IV emission standards) as soon as possible. As at the end of October 2007, we have approved more than 2 200 applications, involving a total grant of about \$90 million.

We believe the scheme is attractive to the vehicle owners concerned. Since the scheme will last for three years, many of these vehicle owners may decide to apply for the grant at a later stage. We will continue to monitor the progress of the scheme and launch further publicity to encourage vehicle owners to replace their old vehicles under the scheme.

The Legislative Council has just endorsed a proposal to reduce the duty rate for Euro V diesel to \$0.56 per litre for a period of two years, starting from 1 December 2007. The duty concession will advance the supply of this more environment-friendly fuel, which has a sulphur content 80% less than ULSD, on the local market and encourage its use. At the same time, we will continue to work with the Guangdong authorities on raising the quality of the motor vehicle fuels on both sides.

Use of Diesel Sold on the Mainland by Cross-boundary Vehicles

15. **MR SIN CHUNG-KAI** (in Chinese): *President, it is learnt that the diesel sold on the Mainland has a sulphur content higher than that of the diesel sold locally. In this connection, will the Government inform this Council:*

- (a) *of the current number of cross-boundary diesel vehicles, broken down by vehicle class;*
- (b) *whether there is a requirement that the fuel in the fuel tanks of cross-boundary diesel vehicles entering the territory must meet the stipulated specifications; if so, of the details; and*
- (c) *whether it will consider setting up inspection kiosks at boundary control points to restrict the entry of cross-boundary diesel vehicles whose fuel tanks contain mainland fuel that exceeds the specified quantity; if it will, of the details?*

SECRETARY FOR THE ENVIRONMENT (in Chinese): President, the best approach to control cross-boundary air pollution in Hong Kong caused by vehicles using mainland fuel is to promote raising the quality of motor vehicle fuels in the Mainland. In this connection, the Mainland has fully adopted unleaded petrol since 2000. The Guangdong Provincial Government has also been gradually raising the quality of diesel. Prior to 2002, the sulphur content of the mainland diesel was 0.5%. This has been tightened to 0.2% since 2002. Starting from April this year, all petrol filling stations in Shenzhen have gone further to supply only motor vehicle diesel of sulphur content not greater than 0.035%, which represents a 83% reduction in sulphur content as compared with that before April this year, and even a 93% reduction when compared with that before 2002. The Guangdong Provincial Government is also planning to extend the use of this motor vehicle diesel with relatively low sulphur content to the whole province. In the past few years, the quality of mainland motor vehicle fuels has substantially improved. That said, we will continue to work with the Guangdong Provincial Government to raise the quality of motor vehicle fuels with a view to improving the air quality of the Pearl River Delta Region as well as Hong Kong.

- (a) According to the records provided by the Transport Department, the number of cross-boundary diesel vehicles broken down by vehicle class is set out below:

<i>Class</i>	<i>Number (rounded to the nearest 10)</i>
Private car	20
Bus	930
Goods vehicle	17 260
Total	18 210

- (b) and (c)

There are enforcement difficulties with stipulating the specifications of the fuel in the fuel tanks of cross-boundary diesel vehicles entering the territory. However, legislation is in place to restrict the volume of mainland motor vehicle fuel carried by

cross-boundary vehicles entering the territory. Under the Dutiable Commodities Regulations (Cap. 109A), the amount of fuel in the fuel tank of a goods vehicle arriving from the Mainland for its use is exempted from duty up to the volume shown below:

<i>Cylinder capacity of vehicle (cu cm)</i>	<i>Volume of fuel exempted from duty (L)</i>
Below 3 000	100
3 000 to 10 000	200
Over 10 000	300

In Hong Kong, selling or transferring into another vehicle the motor vehicle fuel exempted from duty as mentioned above is an offence which carries a maximum penalty of a fine of \$1 million and an imprisonment for 24 months.

As mentioned above, our policy for controlling cross-boundary air pollution caused by vehicles using mainland fuel is to improve the quality of such fuels through joint efforts with Guangdong. In addition, cross-boundary coaches and goods vehicles are required to be registered in Hong Kong and comply with the emission standards for Hong Kong vehicles so as to control their pollution levels.

Corporate Social Responsibilities

16. **MR FREDERICK FUNG** (in Chinese): *President, in his policy address delivered last month, the Chief Executive said that enterprises should fulfil their social responsibilities, and the business community and professionals should actively volunteer to participate in charity work. Yet, the results of a survey have indicated that the level of corporate social responsibility (CSR) awareness among local companies was not particularly high, and companies' actions were mostly taken in compliance with the requirements of basic ethical norms or legal measures. Beyond that, these companies fulfilled their CSRs just because of the resultant commercial interests. In this connection, will the Government inform this Council:*

- (a) *of its work plan for promoting CSR, and whether it will consider drawing up charters or guidelines for CSR and providing relevant training for companies, so as to increase the incentives for them to fulfil CSRs;*
- (b) *whether it will consider revising its procurement policy to require various government departments to give priority to procure the goods and services of those companies which fulfil their CSRs; and*
- (c) *given that the above survey focused specifically on four major dimensions of CSR, that is, a corporation's commitment to ethical practices, minimizing negative impact, social contribution and improving employees' well-being, and it only covered local companies, whether the Government will consider establishing a mechanism to monitor the behaviour and practices of Hong Kong-based multinational enterprises with reference to these dimensions, in order to ascertain if these enterprises have fulfilled their CSRs?*

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

- (a) The HKSAR Government actively encourages the business sector to care about the community and put their resources, experience and expertise to good use in helping the needy as a way of fulfilling their CSR. Relevant work in this regard includes:
 - (i) promoting a territory-wide volunteer movement which encourages employees of business organizations to take part in voluntary services. There are now 170 participating companies which contributed more than 450 000 service hours last year;
 - (ii) launching the Community Investment and Inclusion Fund to promote cross-sectoral collaboration and encourage the business sector and local organizations to jointly develop social capital and neighbourhood mutual support network, so

as to help the needy move "from welfare to self-reliance". To date, the Fund has supported 147 projects which involve over 3 000 collaborating partners, including many large corporations as well as small and medium enterprises;

- (iii) subventing the Caring Company Scheme of the Hong Kong Council of Social Service to give recognition to companies which are involved in community affairs, so as to encourage companies to care about society and their own staff. Over 1 100 companies received recognition this year;
- (iv) establishing the Partnership Fund, from which grants are disbursed to match the business sector's donations for welfare projects undertaken by non-governmental organizations (NGOs). To date, the Fund has provided grants to 65 NGOs which, together with 183 business organizations, have implemented 90 welfare projects, benefiting 350 000 persons; and
- (v) organizing different activities to promote good human resources management practices. The nine industry-based tripartite committees and 18 Human Resources Managers Clubs under the Labour Department would discuss CSR and related topics from time to time. The Department will continue to partner with the business sector and NGOs to further its work in this regard.

In addition, the Committee on Promotion of Civic Education (CPCE) has been promoting "corporations" as good "citizens". The CPCE has also organized a Seminar on Corporate Citizenship this month to promote the concept of "corporate citizenship" and to provide an opportunity for corporations to share their views and experience.

We will continue to encourage the business community to actively take up CSR through different channels. At the moment, we do not have any plans to draw up charters or guidelines.

- (b) The Government's procurement policy is based on the principles of value for money, open and fair competition, transparency and public accountability. Giving preferential treatment to a particular type of enterprise is not in line with above principles.
- (c) The HKSAR Government has been pursuing the policy of free market. We respect the autonomy and self-discipline of private enterprises. At this stage we have no plan to establish a mechanism to monitor the behaviour and practices of Hong Kong-based multinational enterprises to ascertain if these enterprises have fulfilled their CSRs.

Subsidies for Mutual Aid Committees in Public Housing Estates

17. **MR LAU KONG-WAH** (in Chinese): *President, regarding the annual provision of subsidies for mutual aid committees (MACs) of public housing estates under the management of the Hong Kong Housing Authority, will the Government inform this Council:*

- (a) *of the authorities' objectives of providing the above subsidies to MACs, and the major expenditure items funded by such subsidies in the past three years;*
- (b) *for how long the authorities have not made an adjustment to the current rate of such subsidies; and*
- (c) *given that currently, the community in general desires that the spirit of good neighbourhood and mutual support and assistance be lifted, whether the authorities will consider increasing the rate of such subsidies to facilitate MACs in performing their functions (such as attending to the needs of households regularly through the introduction of floor wardens and block wardens, or even organizing recreational activities for households); if not, of the reasons for that; and whether the authorities will adjust the rate of such subsidies having regard to the factor of inflation?*

SECRETARY FOR HOME AFFAIRS (in Chinese): President, our reply to the question of Mr LAU Kong-wah is as follows:

- (a) The Government encourages residents of buildings to form MACs with the objectives of enhancing the spirit of mutual assistance in the neighbourhood and fostering a sense of belonging to the community. The Home Affairs Department (HAD) provides an accountable subsidy each quarter for MACs to meet basic daily expenses. Over the past three years, the major expenditure items funded by the subsidy include electricity charges, telephone bills, office equipment and stationery. The current limit of the quarterly subsidy is \$1,000. The HAD also provides new MACs with an additional allowance up to \$1,000 for setting up offices.
- (b) The HAD regularly reviews the limit of the quarterly subsidy provided to MACs having regard to the relevant consumer price index to ensure that the purchasing power of the subsidy will not diminish as a result of inflation. The limit of the subsidy was last adjusted upwards to \$1,000 in 1997 based on inflation. Despite the occurrence of deflation during the period, there has not been downward adjustment of the subsidy. According to the outcome of the latest review this year, the current limit has already reflected inflation changes since 1997.
- (c) The subsidy is only one of the various forms of financial assistance provided by the Government to MACs. Other forms of assistance include concessionary or nominal rent for MACs to hire office premises in public housing estates. Moreover, MACs may apply for District Council funds to organize community building and cultural and recreational activities. Starting from 2008, the Government will enhance the functions of District Councils, including the initiative to provide more resources to the 18 District Councils in Hong Kong. District organizations, including MACs, can apply for these additional resources to organize more community building and recreational activities conducive to the enhancement of the spirit of good neighbourhood.

As mentioned in part (b) of the reply, the HAD will regularly review the limit of the subsidy for MACs having regard to the relevant consumer price index so as to ensure that the purchasing power of the subsidy will not diminish as a result of inflation.

Piling of Waste on Agricultural Land

18. **MR LI KWOK-YING** (in Chinese): *President, regarding illegal piling of waste on agricultural land in the New Territories, will the Government inform this Council:*

- (a) *of the details of the complaints received by the Government in the past two years about piling of waste on agricultural land in the New Territories, and the follow-up actions taken;*
- (b) *given that it has been reported that as the terms of the block leases under which old schedule agricultural lots were granted do not expressly prohibit the use of such lots as landfills, the authorities cannot take law-enforcement actions against the activities of piling of waste on such agricultural land, of the ways currently adopted by the Government to resolve this problem; and*
- (c) *whether the authorities will consider amending the relevant legislation as soon as possible to curb the recurrence of the above situation of piling of waste?*

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

- (a) From November 2005 to October 2007, various departments received complaints about waste depositing or land filling activities in the rural New Territories. There may be some duplication in the complaints received by the departments, and the figures should not be just added up to give a total figure. Details are as follows:
 - (i) The Planning Department (PlanD) has received 252 complaints. Following investigation and following up the cases, the Department has taken enforcement actions against 81 land filling cases constituting "unauthorized development".

- (ii) The Environmental Protection Department (EPD) has received 24 complaints and taken appropriate follow-up actions accordingly.
 - (iii) Other departments have also taken appropriate follow-up actions in relation to the complaints received (for example, the Lands Department having received 107 complaints and the Buildings Department 24).
- (b) As most private land in the rural New Territories is held under Block Government Leases, it is difficult for the Government to control effectively the use of such land where it does not involve the construction of buildings through such leases. To address this, the Town Planning (Amendment) Ordinance, enacted in January 1991, has imposed a degree of control over the land in the rural New Territories. The PlanD can take enforcement actions against any development on such land that fails to comply with the requirements of statutory plans or that has not been granted permission by the Town Planning Board (TPB).

At present, most areas are regulated by statutory plans. The remaining areas are either country parks subject to regulatory control under the Country Parks Ordinance or a small number of remote areas without any immediate development pressure. Generally speaking, for areas covered by conservation-related zones, "Green Belt" or "Agriculture" zones, prior planning permission from the TPB is required for land filling or excavating activities. For cases without such permission, the PlanD can take enforcement actions, including issuance of warning letters, direct prosecution or issuance of Enforcement Notices requiring the person concerned to discontinue the land filling activities within a specified timeframe.

Regarding the piling of waste, the Government will take appropriate actions depending on the circumstances of individual cases. The disposal of waste is regulated under various ordinances. Should the depositing of waste pose an imminent risk of serious environmental impact, the EPD can exercise its power in accordance with the procedures in the legislation to enter the private land and remove the waste. Furthermore, when the depositing of

waste causes nuisance and hygiene problems, the Food and Environmental Hygiene Department can issue notices to the landowner concerned, the person who has deposited the waste or the owner of the waste to abate nuisance or remove the waste within the prescribed time limit.

Apart from enforcement actions, the Government has taken preventive measures through encouraging the implementation of the Trip Ticket System for construction waste applicable to public sector construction sites in private sector construction sites, and having issued guidelines to the industry on the proper handling of construction waste, for example, handbook and booklet on environmentally-friendly construction techniques.

- (c) We will continue to pay attention to the issue of piling of waste on agricultural land in the New Territories. As to whether the relevant legislation should be amended or not, we will evaluate if there is a genuine need and whether there are strong justifications. We should also strike a balance between private rights and the public interest.

Sector-specific E-business Promotion Programmes

19. **MR SIN CHUNG-KAI** (in Chinese): *President, since 2004, the Government has conducted sector-specific e-business promotion programmes for the small and medium enterprises (SMEs) in six business sectors, namely travel agents, private medical practitioners, drugstores, accountants, logistics companies, and beauty services. Another round of the programmes was launched in February 2007, which covered five business sectors (watches and clocks, beauty services, medical and health, social services and trade). In this regard, will the Government inform this Council:*

- (a) *of the respective numbers and percentages of companies in the business sectors concerned participating in the aforesaid programmes;*
- (b) *whether it has conducted any interim reviews on the programmes, including their effectiveness and if the objectives have been*

achieved; if it has, of the criteria adopted and results of such reviews; if not, the reasons for that; and

- (c) *whether it will, by drawing on the commercial sector's experience in promoting e-business, assist non-governmental organizations such as social welfare organizations in introducing e-business, so as to help these organizations to reduce operating costs and enhance efficiency; if it will, of the details; if not, the reasons for that?*

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Chinese): President, as part of the Digital 21 Strategy, the Government undertook to drive e-business and ICT adoption in different business sectors, in particular among the SMEs. To promote wider ICT adoption among SMEs, a sponsorship scheme, the Sector-specific Programme (SSP), was launched in 2004.

Regarding the question raised by Mr SIN Chung-kai, my reply is as follows:

- (a) For the SSPs we launched between 2004 and 2006 that benefited six business sectors (travel agents, private medical practitioners, drugstores, accountants, logistics companies and beauty services), the activities and deliverables concerned were available to people working in the trade regardless of whether they were representing a company or not. We, therefore, have no statistics on the number and percentages of companies that participated in the projects. For each sector, the organizers have provided us with the number of participants in their activities and the number of users of their deliverables. The relevant figures are attached in Annex 1.

For projects under the new round of SSP in 2007, the organizers have provided the estimated number of participants/users. We do not have actual figures at this stage as the projects are still ongoing.

- (b) For each SSP project, organizers are required to evaluate the project outcomes in a final report submitted to the Government upon completion of the project. We observed from these reports that SSPs were well-received by the beneficiaries, and were effective in

raising the awareness and adoption of IT and e-business among SMEs in the participating sectors.

In addition to the project-specific reviews mentioned above, we also reviewed the way forward for SSP in mid-2006 to ensure the programme would provide further impetus to the development of e-business among SMEs. Taking into account the experience gained from the implementation of previous SSP projects, we considered that the Programme should be repositioned from promoting basic IT adoption and awareness to driving the development and adoption of practical IT solutions and possibly business process reengineering to enhance the competitiveness of SMEs. The new assessment criteria were applicable to the latest round of SSP launched in the first half of 2007.

- (c) As the SSP sponsorship is opened to all sectors including the community, social and personal services sector, non-governmental organizations such as social welfare agencies can also apply for funding.

A sponsorship of \$1 million was allocated to the Hong Kong Council of Social Service (HKCSS) and the Internet Society Hong Kong Chapter to launch a project in June 2007. The project aims to build an information portal to facilitate knowledge sharing among workers of the social service sector. Materials frequently used in the library of the HKCSS will also be digitized to enable access of these resources through the Internet to enhance efficiency and lower the cost for users. The project is scheduled to be completed in the first half of 2009.

Annex 1

<i>Business sector</i>	<i>Total number of participants/users</i>
Travel agents	217
Private medical practitioners	693
Drugstores	64
Accountants	1 148
Logistics companies	798
Beauty services	214

Measures to Promote Eye Care

20. **MR FREDERICK FUNG** (in Chinese): *President, it has been reported that Hong Kong is one of the places in the world with an extremely high myopia rate, but very few members of the public have the habit of undergoing regular eye examinations. In this connection, will the Government inform this Council:*

- (a) *whether it has conducted a study to compare the respective percentages of children, adults and the elderly in Hong Kong who are suffering from myopia, hyperopia, amblyopia, squint or other eye diseases and need to wear glasses with the corresponding figures in other places, and whether it has assessed the expenditure related to such eye diseases and the possible economic losses as a result; if so, of the results; if not, whether the Government will consider conducting such a study and assessment;*
- (b) *given that some optometrists have suggested that both children and the elderly should receive primary eye care examinations annually, whether the Government will consider providing free eye examination services to all school children and the elderly, as well as reconsider providing a special grant to cover the costs of spectacles to children from families receiving Comprehensive Social Security Assistance (CSSA);*
- (c) *whether it will consider increasing the number of educational places for optometry so as to train more qualified optometrists; and*
- (d) *of the current work plan for promoting eye care and the progress in this respect, and whether it will consider allocating additional resources to strengthen the promotion work to enhance public awareness of eye care?*

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

- (a) *According to the Population Health Survey 2003/2004, among the non-institutionalized population aged 15 or above, 8.4% reported that they had "poor" or "very poor" eyesight, while nearly 40% of*

the respondents had myopia and 12.3% of them were classified as having "severe" myopia. As for other eye diseases, the above survey shows that 2.4% of the respondents had had cataract operation and the proportion of the population suffering from cataract increased with age. According to the information provided by the Elderly Health Centres of the Department of Health (DH), there were 67% and 4% elderly people suffering from cataract and glaucoma respectively.

Screening tests were conducted by the DH's Family Health Service on 3 349 four-year-old children between January and March 2005, in which 4.0%, 1.5% and 0.9% of them were diagnosed by ophthalmologists as suffering from refractive errors (that is, myopia, hyperopia or astigmatism), amblyopia or a squint respectively.

As indicated by research findings of local universities and other academic literature, the respective percentages of children, adults and the elderly having myopia in Hong Kong were about 30% to 74%, 41% and 9%, which are comparable with those in Taiwan and Singapore but higher than those in the United States, Canada, Sweden and Australia. That said, in view of the varying approaches adopted in the relevant academic researches, a direct comparison of the findings may not be possible.

We do not maintain data on the expenditure related to eye diseases and the economic losses that might have been caused by such diseases. We have no plan to conduct any research in this respect for the time being.

- (b) The Maternal and Child Health Centres (MCHCs) under the DH provide free child health services, including vision screening test, for pre-school children. In addition, the DH offers student health services for day school students from Primary One to Secondary Seven. Arrangements are made annually for participating students to receive a range of health services, including vision check. Students found to have vision problems may choose to receive a more detailed examination by an optometrist at a Special

Assessment Centre under the DH or by a private optometrist. About 520 000 students received vision check under the Student Health Service Scheme in the 2006-2007 academic year.

As for the elderly, the Elderly Health Centres under the DH provide basic eye examination for the elderly person receiving health assessment, and assess other risk factors such as diabetes and hypertension that might lead to eye diseases. Doctors would make arrangements for the elderly found to have symptoms of eye diseases, having regard to their clinical needs, to receive further examinations or refer them to the ophthalmology departments of specialist out-patient clinics for follow-up treatment. In 2006, some 38 000 elderly persons underwent health assessment and eye examination at the Elderly Health Centres.

At present, all practising optometrists in Hong Kong are required to register for professional practice. They are up to professional standard, and many of them provide free eye examination service for the general public in the market. Moreover, under the CSSA Scheme, financial assistance will be provided to CSSA households with children who need to wear glasses but are in genuine financial difficulty to pay for them, having regard to the actual situation of these families.

- (c) Between 2004 and 2006, there were a total of 81 graduates in optometry in Hong Kong. According to a Graduate Employment Survey, 61 out of the 64 respondents are engaged in the profession of optometry. The Administration will, in the light of the demand of society, provide advice to institutions funded by the University Grants Committee on the manpower requirements of optometrists as and when necessary so as to assist the institutions in formulating their academic development proposals.
- (d) At present, the DH promotes eye care for people of various ages. The Family Health Service of the DH distributes leaflets on vision screening test and eye protection tips for pre-school children and plays VCD at MCHCs to remind parents of the importance of vision screening and eye protection for their children. Apart from

arranging vision screening tests for 520 000 students in 2006, the Student Health Service Centres also organize eye care talks on a regular basis and distribute leaflets on eye protection.

The DH's Elderly Health Centres and Visiting Health Teams have been providing health education for the elderly and their carers on the elderly's common eye diseases and eye care. The purpose is to enhance their knowledge about eye care and heighten their alertness to the early symptoms of eye diseases, so as to enable early identification and treatments. In 2006, the Centres conducted vision tests for 38 000 elderly and provided them with relevant health advice. The Visiting Health Teams also organized more than 140 talks on relevant topics attended by over 5 000 persons.

On the other hand, information on some eye diseases has been uploaded onto the website of the Hospital Authority. A number of community organizations also make available eye care information to the public. Some medical associations (for example, Hong Kong Ophthalmological Society), non-governmental organizations (for example, Haven of Hope Christian Service and United Christian Nethersole Community Health Service) and academic institutions (for example, The Hong Kong Polytechnic University) also provide information on common eye diseases and eye care knowledge as well as eye examination services for the public.

The resources currently allocated for eye care promotion are sufficient. However, we will continue to keep an eye on the needs in this respect and consider whether it is necessary to allocate additional resources having regard to the actual situation.

MEMBERS' MOTIONS

PRESIDENT (in Cantonese): Members' Motions. Two motions with no legislative effect. First motion: Maintaining the political neutrality of the Civil Service.

I now call upon Ms Margaret NG to speak and move her motion.

MAINTAINING THE POLITICAL NEUTRALITY OF THE CIVIL SERVICE

MS MARGARET NG (in Cantonese): President, I move that the motion, as printed on the Agenda, be passed.

President, the good governance of Hong Kong and the smooth daily operation of the Government rely on maintaining a quality, professional, highly efficient, politically neutral, clean and public-spirited Civil Service. A stable and quality Civil Service can be compared to the solid and firm keel of a big ship, which is capable of steering people onboard this ship of the SAR Government steadily onwards regardless of changes in the political structure over her.

Under a system of democratic elections, by which rotational changes in the ruling party are ensured, a quality Civil Service will be able to provide its loyal service and professional assistance to any party that comes into power, thereby implementing political platforms mandated by voters through its day-to-day policy implementation, putting concepts and ideas into practice so that goals laid down in the political platforms can be realized. With the existing defective accountability system, people in Hong Kong all the more need an impartial, hardworking and dedicated Civil Service to shore up administration.

Before the reunification, under the leadership of officials at the top echelon, the Civil Service presented a positive image to the public and commanded a respectable status in the minds of the people. During the Sino-British negotiations, both parties agreed that the original quality system (the civil service system) was the important foundation of a smooth transition. Hence, articles were specially formulated in the Basic Law to assure the original system of civil servants.

Unfortunately, a series of incidents after the reunification have all dealt blows to the status and image of civil servants. The distrust of the First Chief Executive TUNG Chee-hwa in civil servants was already an open secret. The unprecedented move of the Government's use of legislative means to reduce pay twice further enlarged the gap between them. In 2002, an accountability system for politically appointed principal officials was introduced in haste without careful consideration. In name only, the system was introduced to protect the

"neutrality" of civil servants. But even Prof Anthony CHEUNG Bing-leung had written articles to point out that the system was, in fact, introduced with the purpose of "stripping the commanding authority". There has always been a lack of clear delineation between the powers and responsibilities of civil servants and accountable Principal Officials. During the seven years when TUNG Chee-hwa was the Chief Executive, there was a drop in the standard of administration across the board. Major flaws in administration were frequent while mismatches were found in resource allocation and planning. Both policy formulation and implementation failed to respond to the urgent needs of the community, resulting in disastrous consequences. The most fundamental problem lies in the defects of the government structure and its ways of decision-making. While the problems created by the accountability system remained unresolved, now the next Chief Executive Donald TSANG is introducing a plan to further develop the political appointment system, making it increasingly obvious that politics is the foremost consideration in the administration of the Special Administrative Region. Those who share the same political beliefs are given important positions with generous remuneration, while those regarded by the Chief Executive as opponents are suppressed. Appropriate qualifications and good qualities are no longer used as the criteria for delegating important responsibilities.

The status of civil servants has been repeatedly downgraded, to the level of being inferior to politically appointed Directors of Bureau, and now further downgraded to the level of being inferior to Assistant Directors of Bureau who have even less calibre and accountability assurance. They even have to accept direction and instruction from those Assistants to Directors of Bureau who only pass on words of their superiors. But in this way, obstacles are created between civil servants and Directors, thus disrupting the daily task of serving the community.

An undesirable trend will follow. As nobody at the top echelon will be responsible, civil servants have a strong feeling of insecurity. In order not to be made the scapegoat, they stick to the old rut. On the other hand, the rule of man takes roots. The culture of flattery of "those who are proactive" is allowed to spread. Not attending to their jobs, these people focus only on taking advantage of their positions and put a lot of efforts into flattering those in power. If this is allowed to go on, it will certainly lead to a corrupt government. It will become increasingly difficult to prevent abuse of powers for one's own gains and to maintain a clean and public-spirited Civil Service.

President, the accountability system has severely damaged the original civil service system. However, the Administration has all along paid no attention to the issue of how to strengthen the structure of the Civil Service in the existing circumstances. The Civil Service Bureau has only focused its attention on reviews of salary and remuneration as well as recruitments, which, in my opinion, are inadequate in terms of taking appropriate measures to tackle the problem. As a matter of fact, the issue is a huge project. Today, I have only put forward several points for Members' discussion and hope that the Administration will respond to them.

First of all, clarify the term "political neutrality". In fact, the term is misleading because it leads people to believe that civil servants should not have any political stance or political belief, should absolutely not be involved in politics, do not take part in political organizations or activities, and hold completely no views on political stance.

If this is the case, civil servants cannot support universal suffrage or other democratic beliefs. Any show of support for democratic stance will be regarded as losing "political neutrality". As a matter of fact, what we should require of a civil servant is not "political neutrality" — a complete blank in terms of politics — but rather putting aside his own political belief while discharging his responsibilities, and being impartial to supporters of various political beliefs. The term used in "The Civil Service Code of the United Kingdom" is "impartiality", which means unbiased to any stance.

Secondly, delineate the division of roles. The relationship between bureaux and departments should be a relationship of serving with loyalty. Politically appointed Directors of Bureau are responsible for formulating policies in accordance with the demands of society and public opinion. Civil servants are responsible for providing views and analysis on information during the process of policy formulation, and loyally enforcing the policies after formulation. In discharging this duty, a civil servant should be selfless and fearless, upright, honest, and impartial — which means not considering issues from his own political stance, not pursuing the goal of pushing forward his own political beliefs, and not allowing his loyalty, efficiency and manner of policy enforcement to be influenced by the differences in political belief or affiliation between himself and politically appointed officials. On the other hand, the political inclination of a civil servant should have completely no bearing on his

work. It should not be a reason for promotion, not to mention a cause for inferior treatment. Restriction imposed on a civil servant in the exercise of his civic and political rights should be based on specific grounds. A set of clearly and well written code of civil servants should have been implemented by the Government much earlier.

The third point, the organizational structure. Before the implementation of the accountability system, the organizational structure of the Civil Service was integrated as well as compact. With respect to administration, in terms of the vertical line, the head of each department was responsible for his respective department. In terms of horizontal line, the Chief Secretary for Administration was the highest co-ordinator of various departments. The Chief Secretary was the head of the entire Civil Service, responsible to the politically appointed Governor or Chief Executive. After the implementation of the accountability system, individual department is responsible to the respective Director of Bureau while each Director of Bureau is responsible to the Chief Executive. As a result, the head of the Civil Service who used to co-ordinate all civil servants under all departments has disappeared. Since there is inadequate communication among various departments, the Government has become a tray of loose sand, with decision-making of the Government lagging behind demands, and administration undisciplined, disorganized and bureaucratic. As there is a sense of insecurity among civil servants, they have to cling to established practices which serve as shields of protection.

After Donald TSANG succeeded as the Chief Executive, the policy co-ordination role has been reinstated of the Chief Secretary for Administration in name only. The horizontal link of civil servants of various departments is still fragile. The Chief Secretary for Administration is not the head of civil servants. The terms of reference of the Secretary for Civil Service cover the policies of personnel management, salary and remuneration only. I noticed that she is not even in the Chamber now. According to the information gathered by the Secretariat in 2002, under the British system, the head of civil servants is a position called the Secretary of the Cabinet, which is filled by a senior civil servant. The system consolidates the status of the Civil Service on the one hand, and ensures on the other the Civil Service remains integrated and sound with its overall service accepted by voters. I believe the SAR Government should draw reference from this approach and revamp the structure of the Civil Service with a view to strengthening the team spirit of civil servants.

Fourthly, the positions established in the Civil Service and the officials politically appointed should enjoy an equitable status. Directors of Bureau should be equivalent to Permanent Secretaries. The salary scale of all Directors of Bureau is currently at D8 while that of Permanent Secretaries ranges from D6 to D8. The salary of the currently proposed Deputy Directors of Bureau is equivalent to D4 to D6, obviously at a higher salary scale to that of Deputy Permanent Secretaries whose salary scale ranges from D3 to D4. The salary scale of Assistants to Directors of Bureau, equivalent to D2 level, with a monthly salary of \$115,450, is most inappropriate. Moreover, the salary scale of the three Secretaries of Departments is as high as the level of D10, which does not have an equivalent position in the Civil Service at all. It is not surprising that both the community and the media have the impression that civil servants are inferior.

Fifthly, while a review of the structure is carried out, the communication between civil servants and politically appointed Directors of Bureau should be strengthened. Directors of Bureau should heed the professional views of civil servants prior to the introduction of new policies. Frequent reviews should also be conducted with enforcement departments with a view to identifying problems and obtaining responses regarding policy execution. They should also avoid creating barriers and obstacles, or trying to be evasive and perfunctory by shifting responsibilities to their assistants.

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

Deputy President, the amendment proposed by Mr Alan LEONG will further clarify the background of our discussion. I call on all Members to support the amendment. The most important point raised in the amendment proposed by Mr TAM Yiu-chung to Mr Alan LEONG's amendment is that he disagrees there are loopholes in the accountability system. He also opines that the orders of conducting reviews of the accountability system and the structure of civil servants should not conflict with each other. In my view, these divergences are not at variance with the major objective of the original motion. Even though we have different views on this aspect, if we agree that strengthening the structure of civil servants and conducting timely reviews are important matters, we should, based on this common consensus, demand that a

review be conducted expeditiously by the Government, so that we will have a politically neutral Civil Service. Given this, whoever becomes the politically appointed head will be able to command the wholehearted and quality support of civil servants. Thank you, Deputy President.

Ms Margaret NG moved the following motion: (Translation)

"That, this Council urges the Government to adopt all measures to maintain a quality, professional, politically neutral, clean and public-spirited Civil Service, and to clearly delineate the division of powers, responsibilities and roles between the Civil Service and the politically appointed officials."

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

DEPUTY PRESIDENT (in Cantonese): Mr Alan LEONG will move an amendment to this motion. And Mr TAM Yiu-chung will move an amendment to Mr Alan LEONG's amendment. The motion and the amendments will now be debated together in a joint debate.

I will first call upon Mr Alan LEONG to speak and move his amendment to the motion. Then, I will call upon Mr TAM Yiu-chung to speak and move his amendment to Mr Alan LEONG's amendment

MR ALAN LEONG (in Cantonese): Deputy President, targeting at the current effort of the Government to further develop the political appointment system, the amendment urges the Government to address the issue of impacts created by the existing system of politically appointed officials on the political neutrality of civil servants; not to avoid the issue; but should first conduct a review of the Accountability System for Principal Officials (the accountability system).

In April 2002, the Government announced the contents of the accountability system to the Legislative Council, and subsequently scrutiny of the resolution was carried out by the Council in June that year. When Mr Michael SUEN, the then Secretary for Constitutional Affairs, moved the

resolution, he indicated that in devising the specific arrangements for the accountability system, the Government had adhered to two principles, including the upholding of the integrity of the civil service system and maintaining "a permanent, neutral, clean and meritocratic Civil Service the existing spirit and strengths of the Civil Service will be preserved and given fuller play".

At that time, the major response of the Government with regard to the issue of political neutrality of civil servants under the accountability system was to regulate the working relationship between civil servants and Principal Officials of the accountability system through the formulation of rules and circulars. These rules include that the honest, selfless and sound advice with grounds put forward by civil servants should be considered by Principal Officials in a fair and appropriate manner. Principal officials should not ask civil servants to commit acts of misconduct or acts that violate their political neutrality. Civil servants should, based on their sensible analysis, objective research and professional knowledge, tender clear and honest advice to Principal Officials. Once a decision is taken by the Government, civil servants should support and implement the policy concerned fully and faithfully while Principal Officials should bear the political responsibility of the policy.

It is necessary for us to take stock of the situation now. Over the past five years, is it true that the political neutrality of civil servants has been explicitly safeguarded, just like what the Government stated five years ago? According to a research report released by Synergy Net five years ago, the assessment of whether the accountability system has succeeded in safeguarding and strengthening the political neutrality of civil servants is contingent on four factors: whether political neutrality can be safeguarded from the constitutional and legal perspectives; whether political and executive responsibilities have been delineated by a mechanism; whether a fair, effective and transparent mechanism is available to resolve the conflicts between political and executive responsibilities; whether the Government, the Councils and society are determined to protect a professional, meritocratic, and permanent civil service system.

The following discussion will be focused on two aspects. The Civic Party opines that at least from the perspectives of these two aspects, and according to the four factors mentioned above, the accountability system has already caused negative impacts and damaged the political neutrality of civil servants. The first aspect is the role of civil servants in their participation in

explaining and defending policies. The second aspect is the trend of an increasing number of civil servants being appointed by the Government to the team of accountable officials.

Deputy President, since the establishment of the accountability system, apart from Directors of Bureau being responsible for explaining policies to Councils and the community, Permanent Secretaries, in their capacity as civil servants, are similarly responsible for openly "defending" policies. In the report mentioned above, Synergy Net proposed to draw reference from the civil service system of the Commonwealth, which tasks Permanent Secretaries to focus their efforts on "explaining" policies. They are not responsible for "defending" or even "selling" policies. However, Permanent Secretaries and other civil servants are required to defend and sell policies in this Chamber, a common phenomenon often witnessed by colleagues of this Council.

Based on the principle of neutrality and professionalism, a more reasonable approach is to let civil servants apply their professional knowledge to explain contents of policies such as technical details and expenditures concerned. But if civil servants are required to participate in defending and promoting the specific directions of policies, preferences and trade-offs of different policy options, the boundary between the powers and responsibilities of politically appointed officials and civil servants will be blurred, and the image of condescending neutrality of civil servants will also be damaged.

We believe that the SAR Government should take the opportunity of further developing the political appointment system to delineate the responsibilities of Permanent Secretaries and various posts of civil servants at the directorate level. The Government should at least transfer the responsibility of defending policies to newly created posts, so that civil servants can resume their original duties. However, according to the report released by the Government, not only will the Government not revise the responsibilities of senior civil servants, but may also require civil servants to strengthen their roles in policy research, analysis and formulation. This makes us worry that the term "strengthen" implies that civil servants have to make decisions based on political perspectives, and become in reality, though not in name, political officials.

Deputy President, read against the trend of an increasing number of civil servants being appointed to the team of accountable officials, there is proof that

our worry is definitely not unwarranted anxiety. In the first cabinet after the accountability system was established, there were only seven Principal Officials who came from the Administrative Officers grade, and the other seven officials came from various sectors of the community. When Donald TSANG was a "stand-in" for the Chief Executive, he mainly adopted the team of TUNG, with nine civil servants taking up the posts of Directors of Bureau. But today, the number of civil servants taking up posts of Directors of Bureau has reached 10, representing 63% of all cabinet members. There is already a saying that a "civil servants' party" has been formed.

However, when the accountability system was first established, in explaining the policy to this Council, Secretary Michael SUEN indicated that Principal Officials could be selected from within or outside the Civil Service with the aim of recruiting "competent, committed and innovative persons" to serve as accountable officials. Deputy President, now that a large number of civil servants has been appointed as members of the cabinet, it is equivalent to removing the firewall placed between the accountable officials and civil officials. As it is possible for civil servants of all levels to become Directors of Bureau, all of a sudden, civil servants have lost their claim to the moral ground of superior selflessness and political neutrality. Those senior civil servants intent on climbing to higher levels of their official career may probably put more efforts into defending policies, hence creating a further deviation from the original intention of keeping civil servants professional and neutral.

Now, the Government has not devised a constitutional strategy to address the problem, by which the accountability system can be restored to its original intention — to separate politics from the executive. Instead, by appointing officials, it has further fanned the flame of flattering the superior for advancement in the official career. If the Government increases the number of political posts rashly without solving this problem first, it will be widening the road that leads to higher powers and positions. As a result, more civil servants will be inclined to be responsible to the Chief Executive, with a view to relying on the "closeness of political belief" for advancement in their career. There is a possibility that this will turn the entire civil official grade into a "one voice" framework. It will probably become all the more difficult for views and perspectives that are different from those of the senior officials to be voiced at the stage of decision-making.

On the whole, an overall review of the development of the accountability system since its implementation five years ago reveals that the Government has not implemented effective constitutional measures to ensure the political neutrality of civil servants. Instead, appointing a large number of civil servants as cabinet members has gradually become a convention. Requiring senior civil servants to take part in defending policies has allowed the division of political responsibilities and executive responsibilities to become blurred right from the beginning. Given the Government's way of appointing officials, the trend of professional views of civil officials being overridden by political considerations is increasingly obvious. With the gradual disappearance of the "firewall" between accountable officials and civil servants, the public is also gradually feeling doubtful about whether the civil service system can remain permanent and meritocratic.

We certainly do not hope to see the civil servants' political neutrality and professional spirit of serving the public being eroded again. This being the case, we are advising in honest words and with good intention, hoping that the Government will be able to understand the importance of improving the accountability system to upholding the political neutrality of civil servants.

With these remarks, Deputy President, I propose the amendment.

Mr Alan LEONG moved the following amendment: (Translation)

"To add ", as there are still loopholes in the accountability system for principal officials since its implementation, and the Government, before conducting a comprehensive review of the accountability system, has put forward the proposal to further develop the political appointment system," after "That"; to add "clearly delineate the division of powers, responsibilities and roles between the Civil Service and the politically appointed officials, in order to" after "adopt all measures to"; to delete ", and to clearly delineate the division of powers, responsibilities and roles between the Civil Service and the politically appointed officials" after "public-spirited Civil Service" and substitute with "; the relevant measures should include expeditiously commencing a review of the accountability system for principal officials before implementing the further development of the political appointment system". "

DEPUTY PRESIDENT (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Mr Alan LEONG to Ms Margaret NG's motion, be passed.

DEPUTY PRESIDENT (in Cantonese): I now call upon Mr TAM Yiu-chung to speak and move his amendment to Mr Alan LEONG's amendment.

MR TAM YIU-CHUNG (in Cantonese): Deputy President, I move the amendment to Mr Alan LEONG's amendment.

To achieve effective governance, the SAR Government requires a quality, professional, politically neutral, clean and public-spirited Civil Service. This is our common consensus. In 2002, the SAR Government introduced the Accountability System for Principal Officials (the accountability system) to implement restructuring with a view to strengthening the tabs on public pulse. Under the newly established system, Principal Officials directly take part in the final decision-making of various policies. With the Principal Officials held responsible for the success or failure of policy implementation in their respective portfolios, efficiency can be enhanced, timely responses to the needs of the community can be made, and better service provided to the public.

The division of roles, powers and responsibilities between principal officials and civil servants has gradually become clearer since the implementation of the accountability system. Assuming the leading role, Principal Officials are responsible for formulating policies, making political decisions, and lobbying for the support of the community. They have to take up political responsibilities for the success or failure of matters within their policy portfolios, defend government policies, and lobby for the support of various political parties. To ensure that government measures have the needed support, they have to proactively maintain liaison with Members of the Legislative Council, media and political parties. On the other hand, the Civil Service is responsible for assisting Principal Officials in policy formulation, explanation and execution, as well as enforcing the formulated policies.

However, at the time when the accountability system was first implemented, the politically appointed officials, due to their limited number,

were unable to undertake the full range of political work. As a result, experienced civil servants had to assist Principal Officials in lobbying the public and Members of the Legislative Council for support of policies concerned. Despite the fact that civil servants undertaking this kind of work does not contravene with the principle of maintaining the political neutrality of the Civil Service, various sectors of the community still hope that this kind of work for civil servants can be reduced as much as possible, so that incidents of errors committed by civil servants due to inadequate political sensitivity can also be reduced. For this reason, the Government should further develop the political appointment system and create new posts at various levels of the political leadership, so that civil servants will be able to focus on their jobs of internal administration such as conducting analyses of various policies. This kind of structure resembles the one of the British Government in which a group of politically appointed assistants and consultants are led by the head of a department in undertaking political work, while civil servants focus on jobs of internal administration.

The political neutrality of civil servants does not mean that civil servants cannot or should not undertake political work. Instead, it requires civil servants to serve the ruling government wholeheartedly and to the best of their abilities. In order to better maintain the political neutrality and morale of the Civil Service, when the Government further develops the political appointment system, there is a need to clearly delineate the powers, responsibilities and functions of politically appointed officials and civil servants. This is particularly so with areas involving political work. In devoting efforts to maintain the political neutrality of the Civil Service, it is hoped that the Civil Service will not be subject to political struggles, or influenced by the political inclination, values and views of political organizations and individual civil servants. This also prevents civil servants from not daring to devote all efforts to policy implementation, or neglecting their duties of policy enforcement, so as to ensure that government policies can be fully implemented and the effective governance of the Government achieved.

The Government depends on a clean and public-spirited Civil Service to achieve effective governance. Over the years, the SAR Government's persistent effort to maintain a clean and incorruptible Civil Service is obvious to all. Recently, there has been much concern among the community about whether the incident of a certain former senior official's success in obtaining excess mortgage during her term of office involved abuse of powers for one's

own gains. We hope that the SAR Government will follow this up with investigation. Meanwhile, in order to avoid tarnishing the clean reputation of the Civil Service, the person involved should expeditiously give a detailed explanation of the incident.

The Democratic Alliance for the Betterment and Progress of Hong Kong (DAB) does not agree with the amendment proposed by Mr Alan LEONG. As I have just mentioned, the imperfections of the existing accountability system are not loopholes of the policy itself. They are found mainly in the scope and details of implementation where improvement is necessary. During the process of further developing the political appointment system, the preliminary consultation and discussion have in fact achieved the effect of conducting a review of the accountability system. Subsequent to the public consultation, measures proposed have targeted at and made improvements on the imperfections of the accountability system. Hence, the need to suspend implementation is uncalled for.

Some people have all along been using all kinds of conspiracy theories to depict the accountability system as a means for the Chief Executive to centralize powers on himself and to force civil servants to follow his lead. These theories are aimed at driving a wedge between the Chief Executive and the Civil Service, so that the legitimacy of the political appointment system can be denied. But facts speak louder than words. Such theories of denigration do not hold water. On the other hand, the opposition has also used universal suffrage as the premise for the political appointment system and denied the credibility of the political appointment system. They have insisted on universal suffrage for the Chief Executive prior to the implementation of the appointment system. Their discontent with the political development has shaped their denial of the accountability system which is a measure widely supported by the public. It is pure dogmatism of democracy. The election of the Chief Executive was implemented in accordance with the requirements of the Basic Law. It has both constitutional and public acceptability. Therefore, the Chief Executive is fully qualified to appoint political officials. And in doing so, he can effectively honour the pledges he made during the election and improve administration. It is through the selection of political officials by the Chief Executive and the establishment of a stronger and more effective team that will enable the Chief Executive to further realize his accountability to the people of Hong Kong.

With these remarks, I oppose the amendment.

Mr TAM Yiu-chung moved the following amendment to Mr Alan LEONG's amendment: (Translation)

"To delete " there are still loopholes in the accountability system for principal officials since its implementation, and" after "That, as"; to delete ", before conducting a comprehensive review of the accountability system," after "the Government"; to delete "in order" after "the politically appointed officials," and substitute with "and"; and to delete "include expeditiously commencing a review of the accountability system for principal officials before implementing the further development of the political appointment system" after "the relevant measures should" and substitute with "ensure that the policies of the SAR Government can be fully implemented to achieve effective governance"."

DEPUTY PRESIDENT (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Mr TAM Yiu-chung to Mr Alan LEONG's amendment, be passed.

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Cantonese): Deputy President, the motion topic under debate today is "Maintaining the Political Neutrality of the Civil Service." The Government has all long been striving to maintain the Hong Kong Civil Service as a permanent, professional and politically neutral team. The Secretary for the Civil Service will speak on this a moment later. Since Mr Alan LEONG's amendment touches upon the political appointment system, I shall first explain the relevant position of the Government of the Special Administrative Region (SAR).

The political appointment system was first put in place by the SAR Government in July 2002. Since the second term of the SAR Government, the three Secretaries of Departments and all Bureau Directors have been politically appointed for a fixed tenure of five years to tie in with the term of office of the Chief Executive who nominates them for political appointment. Following a review, the Government published the *Consultation Document on Further Development of the Political Appointment System* (Consultation Document) last year, that is, in July 2006. The views received were then collated in November last year. In October this year, the Government submitted the *Report on*

Further Development of the Political Appointment System (Report) to the Legislative Council, proposing to create two new tiers of politically appointed positions, namely, Deputy Director of Bureau and Political Assistant to Director of Bureau. The proposal to create these posts was already approved by the Establishment Subcommittee this morning. We plan to submit a proposal to the Finance Committee in December and hope that Members will render their support.

In the public consultation exercise in 2006, we received many views which suggested that the Government should clarify the line of command between politically appointed officials and civil servants and further delineate their respective roles. For this reason, in the Report submitted in October, we set out in very clear terms the responsibilities of Deputy Directors of Bureau, emphasizing that they shall be responsible for assisting Directors of Bureau in a full range of political work. It is mentioned in particular that they may act for their respective bureaux in handling the business related to them in the meetings of the Legislative Council, its panels and other subcommittees. As for Political Assistants to Directors of Bureau, we have also given a more detailed account of their responsibilities, stating that they shall render political support to Directors of Bureau and assist them in political liaison and other related work. Both Deputy Directors of Bureau and Political Assistants to Directors of Bureau shall not have any line of command with Permanent Secretaries and other civil servants.

The SAR Government's decision to further develop the political appointment system is preceded by very careful thoughts and consideration. We have taken stock of the experience in the past five years and reviewed the overall operation of the political appointment system since its implementation in 2002. In Chapter 1 of the Consultation Document published in 2006, there is an analysis of the operation of the accountability system. In the Report submitted to Members in October 2007, there is also an analysis of the operation of the Civil Service since the implementation of the accountability system in 2002. Therefore, Mr Alan LEONG's allegation that the authorities have never reviewed the political appointment system is totally ungrounded.

As a matter of fact, the implementation of the political appointment system in the past few years has enabled the political system of Hong Kong to achieve progress in three ways.

To begin with, it is now widely recognized that Principal Officials must assist the Chief Executive in his administration and carry out his policy objectives. A governing team has clearly emerged. For example, after the Chief Executive Election in March 2007, the Chief Executive must make good his election platform. To this end, I published the Green Paper on Constitutional Development in July 2007. The Secretary for Development has also started to handle the 10 major infrastructure projects, and the Secretary for Home Affairs is now making efforts to promote social enterprises. All such policy agendas are the work already set out by the Chief Executive during his election campaign and his October policy address for the entire team of Principal Officials and the third term SAR Government. What we have been doing is in line with the practice of all other elected leaders in the world who will form their cabinets to make good their election promises. A politically appointed governing team can enable us in the Hong Kong SAR Government to keep tabs on the people's aspirations and act in accordance with social development and our election undertakings.

Second, since the implementation of the political appointment system, the governing team has been able to respond much more effectively to the aspirations in society. Principal Officials must now reach out to the community and conduct multi-faceted communication with different social sectors, so as to grasp the prevailing situation and feel the pulse of society. The civil service team, on the other hand, can thus concentrate more on policy studies, analyses and recommendations. And, civil servants can also propose various policy directions for the reference of the Chief Executive and Principal Officials. Currently, there are two categories of public officers in the SAR Government. There are politically appointed officials, including Secretaries of Departments and Directors of Bureau (Very soon, there will also be Deputy Directors of Bureau and Political Assistants to Directors of Bureau). At the same time, we have also maintained and preserved the posts of Permanent Secretary and a permanent civil service system. As a result, the administrative framework of the SAR Government will be perfected in the future, with all performing their respective roles. As a matter of fact, the team of Principal Officials has been closely following the state of affairs in Hong Kong every day. And, they are extremely concerned about what immediate actions must be taken to answer people's aspirations and cope with the developments in society today or this week, for example. In the case of the recent incident relating to the Kowloon-Canton Railway, for example, we were able to settle the whole case in

a matter of just two or three days. This can show that all in the SAR Government have actually been working as one team, whether in carrying out the Chief Executive's policy objectives or in coping with urgent and pressing issues.

The third point I wish to raise is that after the implementation of the political appointment system, we have succeeded in realizing the spirit of political accountability. Whenever any incident happens, Secretaries of Departments and Directors of Bureau, as Principal Officials, will tender their apologies to the public when necessary. If a particularly serious incident occurs, the Principal Official concerned may even have to resign to manifest the SAR Government's accountability to the public. This new system is therefore some sort of progress when compared with the past system of placing civil servants in the positions of Secretaries of Departments and Directors of Bureau. The reason is that under the old system, before 1997 or during the period from 1997 to 2002, all these top government posts were filled by civil servants who could neither bow in apology nor resign to show their accountability even after incidents occurred. What we have been doing is therefore the liberalization of the top echelons of the Government for the enhancement of accountability.

However, after taking stock of the operational experience in the past five years, we have come to the observation that the size of the team of politically appointed Principal Officials is rather small. After all, in the rest of the world, it is hard to find a governing team which comprises just a dozen or so people. Therefore, with a view to enhancing our governance and political work in the future, we have now proposed to create these two new tiers of politically appointed positions, namely, Deputy Directors of Bureau and Political Assistants to Directors of Bureau. If these new positions can be created, the political appointment system in Hong Kong will become more akin to the systems in many Western democracies, where there are usually two to three tiers of top government officials, namely, secretaries, deputy secretaries and assistant secretaries, who can represent the government in the legislature and explain their legislative and other policy proposals to the public.

In the future, our Deputy Directors of Bureau and Political Assistants to Directors of Bureau can provide their respective Directors of Bureau with political analyses and judgments within their bureaux. On the other hand, senior civil servants can continue to conduct policy studies and make policy recommendations. All politically appointed Directors of Bureau must first synthesize the judgments of accountability officials and the policy analyses of

civil servants before putting forward an integrated set of policy concepts and recommendations to the Chief Executive and the Executive Council.

Deputy President, under the Basic Law, the Chief Executive of the Hong Kong SAR shall be accountable to the Central People's Government and the Hong Kong SAR. Therefore, as Principal Officials, we must support the Chief Executive in administration. At the same time, we will also hold ourselves accountable to the public both inside and outside this legislature. Every day and every week, we must come to this legislature to explain our policy positions and clarify the Government's stances to the mass media. Over the past five years, both the spirit and practices of the accountability system have been further established. We believe that with the three-tier framework brought about by the expansion of the political appointment system, we will have more opportunities to explain the position of the Government in this legislature. In the future, Directors of Bureau and Deputy Directors of Bureau will normally attend the regular meetings of the Legislative Council and its panels. The Government's accountability to the Legislative Council and the public will only increase.

On 17 October, when I announced the latest recommendations of the Report to the Legislative Council, I already explained to Members that the SAR Government has a broader objective, which is to widen and groom the pool of political talents, and to broaden the avenues for people aspiring to a career in politics. People wishing to pursue a political career may consider running in Legislative Council and District Council elections. Or, they may consider a political career in the Government, becoming Directors of Bureau, Deputy Directors of Bureau and Political Assistants to Directors of Bureau. In the future, politicians in Hong Kong will have the opportunity of joining the Government to realize their policy convictions.

All over the world, there are invariably two avenues for people aspiring to a political career: joining the legislature to monitor the government or working in the government to realize their policy convictions. We therefore hope that with the three-tier structure, the work and arrangements of the Government can become more satisfactory.

At a broader level, we hope that with the three-tier political appointment system, our political system as a whole can be perfected to pave the way for achieving the ultimate aim of electing the Chief Executive by universal suffrage. We know that once universal suffrage is implemented for the election of the

Chief Executive, candidates will each need an election team to assist them in writing up political platforms, canvassing votes and obtaining the support of different social sectors. In the future, when the successful candidate assumes office, he or she will be able to select able members from the election team to form his or her governing team of Secretaries of Departments, Directors of Bureau and their deputies. In other places of the world with democratic elections, there is a similar approach of forming the governing team and the government. We hope that with this structure, the political development of Hong Kong can follow the right path much more quickly.

Deputy President, we have already conducted a comprehensive review of the political appointment system. We hope that the positions of Deputy Directors of Bureau and Political Assistants to Directors of Bureau can be created as soon as possible. We further hope that the relevant proposal can receive the support of the legislature, so that a fresh impetus can be injected into the constitutional development of Hong Kong. Thank you, Deputy President.

SECRETARY FOR THE CIVIL SERVICE (in Cantonese): Deputy President, at this juncture, I wish to put down on record that since the very beginning of this motion debate, I have been sitting in this Chamber, listening to Members' remarks. I decided not to interrupt Ms Margaret NG just now, though she said that she could not see me in the Chamber. I decided not to interrupt her because I did not think that I should do so for such a minor misunderstanding. I thought it would be better to let her finish her speech without any interruption.

This is all I wish to say at this point. I shall give my reply after listening to the speeches of Members. Thank you, Deputy President.

DR YEUNG SUM (in Cantonese): Deputy President, the Secretary has just said that there are two aspects in which the SAR Government and governments returned by elections in Western countries are similar, namely the forming of the ruling team and the cabinet. However, he has covertly substituted certain concepts with other ideas. Elections in Western countries are not small-circle elections by 800 persons. Basically these elections are "one person, one vote" with strong elements of universal suffrage. Hence, the political accountability

system, without the spirit of these elections and their related complementary measures, is like building a house on quicksand. Moreover, the credibility of the political accountability system of Western countries is founded on a system through which the head of state is returned by universal suffrage. At present, our Chief Executive is basically returned by a small-circle election, and is, therefore, lacking in credibility. Likewise, the political accountability system evolved from it also lacks credibility. However, we can never imagine that, after we have delivered such lucid criticism on this kind of culture and complementary measures, Mr TAM Yiu-chung, the DAB Chairman, could have said that we had only regarded it as a kind of dogmatism of democracy. There were also daggers hidden behind the smiles in his speech when he talked about a certain retired senior official's recent involvement in smearing an election. He even asked the Government to carry out an open investigation into the matter. This is a way of making oblique accusations.

Deputy President, those who have studied politics may have probably read about the forming of the system of civil officials. They may have read about the theories on separating politics from administration put forward by Woodrow WILSON, and may have gained an understanding of the doctrine on how civil servants can maintain political neutrality.

According to my understanding, civil servants should adhere to the following six principles:

- (1) Politics and policies should be separated from public administration. Political officials should be responsible for policymaking while civil servants should be responsible for policy enforcement.
- (2) Recruitments and promotions of civil servants should be conducted on a meritocratic basis, and not measured against political background and contribution.
- (3) Civil servants should not take part in political activities of political parties.
- (4) Civil servants should not express their personal opinions on government policies or administration in public.

- (5) Civil servants should put forward objective proposals to politically appointed officials in private. Their identities should be protected and not to be revealed. Politically appointed officials have the responsibility of being held politically responsible for the decisions made by their respective departments before the public.
- (6) Regardless of their individual stance, civil servants should loyally execute the decisions of the Government. Their permanent appointment in the Civil Service should also be protected.

Deputy President, since the implementation of the accountability system by the SAR Government, the system of civil officials in Hong Kong has been developing in this direction. We can still remember during the promotion of the accountability system, government officials also emphasized that maintaining the political neutrality of the Civil Service was one of the fundamental principles. In adhering to this principle, the Government was also maintaining the system of meritocratic, permanent, and professional Civil Service.

The accountability system has been implemented for five years. However, the Government has never systematically conducted a public review, or through the Legislative Council, carried out an in-depth study of the details and effects of its implementation. Neither has it explored the substantial and far-reaching impacts of the accountability system on the system of civil officials prior to presenting the proposal of creating the posts of Deputy Directors of Bureau and Assistants to Directors of Bureau. Today the proposal for the creation of these posts has just been approved by the Establishment Subcommittee. On the surface, the proposal has increased a tier of political appointees only. However, under the circumstances that the democratic political system is still to be fully implemented and there are inadequate complementary measures, this proposal can only be seen as another kind of political reward for the successful re-election of the Chief Executive, with a view to meeting the demands of the pro-government political parties for sharing powers.

The problem is, before conducting an in-depth review of the success or failure of the accountability system, the Government is adding a tier of political appointees in a high-handed manner. According to the Democratic Party, this is a most inappropriate measure. There is a saying that it is easy to increase but

difficult to reduce. If problems are detected in the system again after the creation of Deputy Directors of Bureau and Assistants to Directors of Bureau, it will be very difficult to cancel these posts.

As a matter of fact, unlike what the Government has professed, the political neutrality of civil servants has not been realized since the implementation of the accountability system. The most obvious example is the one that is familiar to us. When the Director of Bureau is not in Hong Kong or unwilling to attend the Legislative Council meeting or the relevant panel meeting, it is the Permanent Secretary who stands in to answer questions from Members, which are certain to involve the rationale of policy formulation. Take the former Secretary for Home Affairs as an example. During the process of regularization of soccer betting, he avoided attendance of meetings, regardless they were panel meetings or meetings of the Bills Committee. So the hot potato was passed to the then Permanent Secretary. And this Permanent Secretary responded as if he were the spokesman for regularization of soccer betting. Considering from this perspective, it is basically difficult for civil servants to maintain political neutrality.

Regarding the issue of powers and responsibilities, at the time when the Government proposed the addition of a tier of political appointees, it had not properly dealt with the problem of the relationship between the appointees and civil servants. The newly created Deputy Directors of Bureau and Assistants to Directors of Bureau have no direct line of command *vis-a-vis* the civil service system. In other words, Deputy Directors of Bureau cannot instruct civil servants to perform their duties. To mobilize civil servants, they have to act in the name of Directors of Bureau. What makes it intolerable for civil servants is that when Directors of Bureau are not in Hong Kong and Deputy Directors of Bureau act up their posts, the latter will be able to instruct civil servants to perform any duties.

Deputy President, while the creation of the post of Deputy Directors of Bureau is unjustified, the delineation of powers and responsibilities between civil servants and the newly created post is unclear, and civil servants are unwilling to accept the leadership of Deputy Directors of Bureau when such occasions arise. In such circumstances, I believe there are already intrinsic problems in the existing structure in maintaining a professional and politically neutral Civil Service. This institution will only create disharmony between Deputy Directors

of Bureau and the civil service system that may even lead to conflicts between them. To the Civil Service that requires stability, the addition of Deputy Directors of Bureau between the Directors and civil servants before a review of the effects of the accountability system seems to be an undesirable arrangement. This new change is making me very anxious as it will bring more negative impacts on the entire system, morale and political neutrality of the Civil Service.

With these remarks, I support the motion.

MR HOWARD YOUNG (in Cantonese): Deputy President, the Central Government has been honouring its pledges on "one country, two systems", "Hong Kong people ruling Hong Kong" and "high degree of autonomy" since the reunification of Hong Kong. This has indirectly enhanced the demand of the public for a higher level of governance from the Government.

Over the years, although senior officials of the Government had emphasized the adherence to the principle of political neutrality, they had powers but not responsibilities. The introduction of the accountability system has not only enhanced the accountability of officials, but also provided a channel for people with political aspirations to join the Government so that more elites will be attracted to pursue a political career. This will help foster political talents and spare civil servants political impacts due to policy blunders.

Since the accountability system is a new institution, it is undeniable that there is a need for adaptation and adjustment in the early stage of implementation. In addition, only the post of Director of Bureau is politically appointed, civil servants are therefore required to undertake some of the political work on many occasions. Once the Permanent Secretary has overdone in his efforts of policy enforcement, it is easy to step beyond the line, thus causing allegations of conflict with a civil servant's role of political neutrality. It was not surprising that Mrs Fanny LAW, the previous Commissioner of Independent Commission Against Corruption, had been overwhelmed by external political pressure and announced her resignation in June this year for her way of handling things during her term of office as the former Permanent Secretary for Education and Manpower. However, she had left behind a public letter of anger and resentment, questioning whether her experience would reflect the future of other loyal and dedicated civil servants.

We have reservation about Mr Alan LEONG's allegation that there are loopholes in the system concerned. We believe that at the most, there is room for improvement in the gearing in or delineation of responsibilities between accountable Principal Officials and civil servants. In fact, there can be steady development for the system concerned. There are no major loopholes.

Moreover, the amendment also mentions that a review of the accountability system should be conducted before taking forward the further development of the appointment system. This is equivalent to setting preconditions for further appointments. Meanwhile, does it imply halting the further development of the accountability system? As a matter of fact, the Government had conducted public consultation before making a decision on further developing the political appointment system. Views from various sectors were collected, with the majority of them indicating support for the creation of two political layers with a view to further developing the system of political responsibility.

Besides, the purpose of creating the posts of Deputy Directors of Bureau and Assistants to Directors of Bureau is to improve the accountability system, and help rationalize conflicts of the dual identities of civil servants taking on political roles as well. It is only through this measure that the majority of political responsibilities can be undertaken by accountable officials while civil servants on permanent appointment can focus their efforts on policy research. In this way, criticism can be avoided, and civil servants will not be queried of violating the principle of political neutrality. If more obstacles are created at the present stage for the further development of the political appointment system, will they not affect the continuity and integrity of the entire accountability system?

The original motion urges for the delineation of powers and responsibilities between politically appointed officials and permanent officials only, which implies it indirectly agrees that further development of the accountability system can be implemented. However, using the excuse of conducting a review, the amendment is, in fact, imposing obstacles on the further development of the accountability system. The first party has agreed to move forward, but the second party has asked for a pause in order to conduct a review. It seems that the two parties are in conflict with each other. Therefore, the Liberal Party supports the amendment proposed by Mr TAM Yiu-chung. We

agree that our present task is to take the opportunity of implementing the further development of the political appointment system to further delineate the responsibilities of accountable officials. In its response to the consultation paper, the Public Service Commission has also indicated that regulations should be clearly formulated to explain what can be done and what cannot be done by the two respectively.

I would like to devote the next part of my speech to give a simple list of areas that need further clarification. For instance, on the one hand, the Government has indicated that Deputy Directors of Bureau have no direct line of command *vis-a-vis* Permanent Secretaries, but on the other, Deputy Directors of Bureau can act for Directors of Bureau in asking civil servants to prepare and provide information and data. Moreover, when Directors of Bureau are not in Hong Kong and Deputy Directors of Bureau act up their posts, the latter will have a direct line of command *vis-a-vis* Permanent Secretaries. In reality, is it feasible if Permanent Secretaries are not responsible to Deputy Directors of Bureau, but have to wait for instructions of Directors of Bureau in performing each and every task? I think this warrants examination.

Moreover, the newly created accountable officials will be responsible for many duties originally performed by civil servants. Under these circumstances, is it necessary to maintain so many posts of Deputy Permanent Secretaries and Principal Assistant Secretaries? In further developing the accountability team, the Government should recruit more competent persons from the community and not focus on selecting appropriate persons from the Civil Service. It is only through this approach that we can achieve the original aim of strengthening the training of local political talents by means of implementing the accountability system.

On the whole, the Liberal Party agrees that it is necessary to effectively maintain the political neutrality of civil servants and, at the same time, further develop the accountability system in an appropriate manner.

Deputy President, I so submit.

MR ANDREW CHENG (in Cantonese): Deputy President, I speak in support of Ms Margaret NG's motion.

In the recent District Council Election, a kaifong in the district told me that he had just listened to the debate of the By-election at the University of Hong Kong in which Mrs CHAN had talked about how she had experienced snobbery of those in politics and fickleness of those in power during the period of By-election. That voter asked me why Mrs CHAN had such deep feelings and sentiments. In analysing the situation with him, I explained it might be due to the fact that in the past, Mrs CHAN was under the command of one but in command of thousands. But she is representing the democrats in this election. The ruling coalition, various government departments, and even Directors of Bureau may not have completely ignored her, but when she requested meetings, she got a lukewarm response only. Chief Executive Donald TSANG has indicated that there are affinity differences with political parties. Obviously, if a Director of Bureau wants to do his job well, he has to continue being "close" to the ruling coalition and keep on remaining "distant" to the democrats.

Deputy President, today I am not only talking about the problem with Directors of Bureau. I think we have said many times that Directors of Bureau have a lot of problems. Mr TAM Yiu-chung mentioned that the Government should have a certain agree of credibility. While the Chief Executive should have credibility, Directors of Bureau appointed by him should also have credibility. The issue is at what level and how much do we demand of credibility. Insofar as credibility is concerned, we are demanding credibility based on universal suffrage, not credibility of a Chief Executive returned by a small-circle election, or credibility of Directors of Bureau subsequently appointed by him.

Deputy President, let us take a look at the motion. Actually, as we have a system of speakers, I seldom speak on constitutional issues. But after reading the motion, I felt strongly that I had to rise and speak today, for the record. Why? The motion has mentioned "a quality, professional, politically neutral and public-spirited Civil Service". Regarding quality, persons of quality can be selected on recruitment. Regarding professionalism, continuous training to reach a professional level can be provided after recruitment. Regarding cleanliness and public spirit, we have an efficient Independent Commission Against Corruption and a sound legal system. As far as political neutrality is concerned, it is definitely a dead knot of the existing Civil Service.

As for Directors of Bureau, as I have just said, if a Director of Bureau has promotion in his mind, of course he has to continue being "close" to the ruling coalition and "distant" to the democrats. But how about the Civil Service that claims to be politically neutral? Their approach is just the same. Why should I speak on this? Because I am very frightened. And this fear of mine was present in the past, it is here now, and it will be here in the future. I have often said that if Hong Kong is to model on the Singaporean system of governance, it will mark the beginning of the loss of core values and the emergence of an autocratic society in Hong Kong. What is the Singaporean system like? I believe many of us present here today must have heard about this before, and that is, if the political party not in power has a chance of winning a seat, even if the opposition party succeeded in winning just one seat, garbage collection in his constituency will then be limited to only once or twice a week. So after this victory, voters will not vote for him in the next election. This is the workings of affinity difference.

Deputy President, how about the situation in Hong Kong? For the record, let me talk about my own experience. If we wish to have a genuinely political neutral Civil Service, I would specially ask Secretary Denise YUE to learn more about the ways of handling things of various departments. I would like to talk about the Housing Department (HD) first. According to my experience, when democrats ask to have meetings with HD offices in order to follow up certain issues, the meetings scheduled are always later than those scheduled for members of the ruling coalition. We are always at the end of the queue. Deputy President, all these cannot be proved. It is just our feeling. Since I became a District Council member in 1994, I have been engaged in politics for over 10 years. This feeling is increasingly stronger every day.

(THE PRESIDENT resumed the Chair)

Now I would like to talk about the Transport Department (TD). There are a number of residents' coaches in my constituency. When some owners' corporations of the democrats ask us for help, we inform the TD that residents' coaches of certain areas are very important and that demand from residents of the area for these buses is high. All requests from the ruling coalition to the TD for new service routes of residents' coaches are often approved but our requests for new service routes often encounter a lot of difficulties. The TD cites many reasons for refusing our requests. New service routes are rejected anyway.

The Food and Environmental Hygiene Department (FEHD) is even worse. Tables and chairs were put outside some of the food premises in my constituency. It was true that these food premises had violated the law in doing so. But the front-line officers of the FEHD told them that it had been Andrew CHENG who proposed the raiding operations. Madam President, incidents like these had happened more than once. The most recent one involved the sales booths of telecommunications services. We all know that telecommunications companies often set up booths on the streets. Front-line officers again said Andrew CHENG had asked them to come and forbid the setting up of booths on the streets. Those people do not have an easy life. In order to solicit business, they have to stand on the streets every day. Subsequent to that, I was scolded by them.

Madam President, the topic is raised today. Is the Secretary for the Bureau politically neutral? All of us know the answer to this. In her capacity as an official, she has no other option. However, if the politically neutral Civil Service fails to maintain political neutrality, the core values of Hong Kong will disappear. This hurts me deeply. My core values are fairness, impartiality and justice. Mr TAM Yiu-chung said that the Civil Service had to serve the Government of the current term. I would like to propose a minor amendment to that. It is not as simple as serving the Government of the current term. Since civil servants are public servants, they are servants of the people. It is not as simple as serving the Chief Executive returned by a small-circle election or the Government of the current term.

Madam President, I so submit.

PRESIDENT (in Cantonese): I listened to your speech when I took a rest just now. I heard you mention one of the candidates of this By-election of the Legislative Council. In order that the Legislative Council can be fair and impartial, I am specially giving you more time to speak. Please also say the names of the other seven candidates.

MR ANDREW CHENG (in Cantonese): I am sorry, Madam President. I am really sorry. There are eight candidates in the By-election. Apart from the

one that I already mentioned, the other candidates are Regina IP LAU Suk-ye, HO Loy, LEE Wing-kin, LAU Yuk-shing, SIU See-kong, and Cecilia LING Wai-wan.

Thank you, Madam President.

PRESIDENT (in Cantonese): Ms Miriam LAU.

MS MIRIAM LAU (in Cantonese): There is still one candidate that Mr CHENG has not mentioned.

PRESIDENT (in Cantonese): There is still one candidate you have not mentioned.

MR ANDREW CHENG (in Cantonese): There is still one candidate not mentioned? Oh yes, it is Stanley Tandon Lal CHAING.

PRESIDENT (in Cantonese): I hope all Members will remember this. As the Legislative Council is a fair legislature, if you mention the name of a certain candidate, in order to be fair and impartial, you have to mention the names of all the other candidates as well.

MS EMILY LAU (in Cantonese): President, don't worry, I am not going to talk about these things. Then I don't have to mention all the eight names. I speak in support of Mr Alan LEONG's amendment to Ms Margaret NG's original motion.

The examples cited by Mr Andrew CHENG just now were thought-provoking. I am asking not only members of the Legislative Council and District Councils, but also the public to note civil servants' different affinities with political parties that show they are not being impartial in handling things. I believe Secretary Denise YUE would be happy to know the details. But there must be distinct examples specifying the time, dates and persons

involved in such incidents. As such behaviour is regrettable, the Frontier will also collect such information and pass it on to the Secretary.

President, Secretary Stephen LAM pointed out earlier that the development of our system was becoming more and more like the Western model of a three-tier structure. Previously he had indicated in penal meetings that it resembled the American mode. There is universal suffrage in the United States. Take a look at their hotly-contested primary elections. The situation will be even more so in the Presidential Election next year. So in what way does our system resemble the American system? Under the American system, the nomination for appointment to the cabinet has to be approved by the Senate. I had pointed this out many times, and each time it was rejected. So where is the resemblance?

However, some aspects of our system have surpassed Britain and the United States. The President knows what I am referring to, and that is, the salary. Let me quickly tell you the figures again. The monthly salary of Directors of Bureau is \$2,981,150; how about the one in the United States? It is \$1,160,000 million; and in Britain, \$1,600,000 million, \$110 per month No, it is \$110,000. Sorry. Dr YEUNG Sum, thank you for your correction. The monthly salary of our Principal Officials is \$298,000-odd. The monthly salary of principal officials in the United States is \$116,000. The monthly salary of principal officials in Britain is \$160,000. In Canada, it is \$120,000. The salary of a cabinet member in New South Wales of Australia is \$85,000. President, how does the salary of our Principal Officials compare with members of parliament in these countries in terms of percentage? President, it is almost five times in Hong Kong; 1.09 times in the United States; 2.2 times in Britain; 1.47 times in Canada; and 1.57 times in New South Wales of Australia. As far as the salary of our Principal Officials is concerned, we surpass Britain and the United States. Now the highest salary of the proposed post of Directors of Bureau reaches \$223,000 monthly. Even the salary of Assistants to Directors of Bureau reaches \$163,000, a figure absolutely higher than that of cabinet members in the United States. President, don't you think we are really something?

So, they want to have elections. They want to have systems to elect talents. I do not object to that at all. I also know that during the consultation process of this proposal, civil servants have indicated that from now on, they should no longer be required to come to the Legislation Council to offer

explanations. The political appointees should be required to attend the meetings. The practice of other democratic and liberal places is like this: Meetings are attended by principal officials or their deputies or under secretaries, the majority of them being members of parliament, members of political parties, and members of the ruling party. Civil servants are not required to attend. But in Hong Kong, of course, the practice does not work here. There are so many meetings, how can it work? Therefore, they have drawn certain aspects from Western practice but have not taken all. While the salary in foreign countries has been set at a lower level, the salary in Hong Kong has been set at a high level. Now how can we accept that?

Mr TAM Yiu-chung said just now that someone had tried to drive a wedge between civil servants and the Chief Executive. I remember Mr TUNG Chee-hwa had stated before that policies were not implemented, which means it was impossible for him to implement his policies. Of course he had to put the blame on civil servants.

President, as a matter of fact, we can review the history of some time ago. Before 1997, civil servants had enormous powers. Of course, they were headed by the Governor, but civil servants had enormous executive powers. Large amounts of resources were also at their disposal. That was why within this Council, many of our colleagues had said that there had been a ruling party all along in Hong Kong, namely officials of Administrative Officer Staff Grade and Directorate Grade. They called the shots. In 1997, there were differences in ideas between this team who were in charge and TUNG Chee-hwa. It was probably because they did not want to implement TUNG Chee-hwa's ideas. As TUNG Chee-hwa saw that he would be powerless, he introduced the accountability system in 2002. Unfortunately, after the implementation of the system, some accountable officials had to step down. The system was a total failure. If it were successful, Regina IP and Antony LEUNG would not have to step down. And after that, YEOH Eng-kiong would not have to step down too.

And they have to continue with this unsuccessful system. The Administration refused to conduct a review of it. It indicated that there had been a chapter of review in a related report. Can that be called a review? If something like that can be called a review, the Director of Bureau should also step down. The Administration not only refused to conduct a review, but also started to recruit officials with monthly salaries at \$220,000 and \$160,000 to

work under Directors of Bureau whose monthly salary exceeds \$290,000. Does he think that the money of taxpayers is just a gift from heaven?

Therefore, President, I think civil servants should be impartial. I agree with what Ms Margaret NG said. We are not referring to political neutrality, but impartiality. Those who had previously worked at the lower level might be like that — I do hope so. But all along officials of Administrative Officer Staff Grade have enormous powers as well as influence. Even today President, I believe you have seen an English series "Yes Minister". Of course he has to say "yes". He has to agree to whatever the Minister says. But do our current officials really have so much knowledge and support to achieve this? We have to admit that we really hope these things do happen. But the present situation is like what Mr Alan LEONG has said. Full efforts have to be devoted to recruiting with attractive remuneration talents from the Civil Service, implementing the political appointment system, building "stables", establishing the culture of flattery. How can a situation of impartiality and political neutrality emerge under these circumstances?

President, I am extremely worried, because I do not think the Government is promoting political reforms or universal suffrage. The Government is probably destroying what is left of the civil service system. It is dangling a monthly salary that exceeds \$200,000 to attract civil servants. We will have to wait and see how many civil servants they would manage to recruit. They are still looking for talents there. In addition to this, just as Mr Andrew CHENG has mentioned, other civil servants have learnt to apply affinity differences to political parties. When they have identified a group of people classified as opposition, they will use a suppressive approach and refuse to grant them anything in order to get more credits for earlier promotion. In such a political environment, do you think we should not be worried?

MR LEUNG YIU-CHUNG (in Cantonese): President, Ms Emily LAU said that the examples cited by Mr Andrew CHENG were thought-provoking. To me, they are not only thought-provoking but also as familiar as personal experience. Indeed, the situation is very serious.

I remember once I said to a senior official of the Food and Environmental Hygiene Department (FEHD) I was really complaining. I complained about the unsatisfactory hygiene conditions of a certain food premise. But why

did someone from that food premise call on me and give me a good scolding? I did not have any reasons to tell the people of the food premise that I would lodge a complaint against them, did I? The rule of keeping the source of the complainant confidential should be strictly adhered to. It should not be revealed. But it was leaked. Why? After that, I had a meeting with a more senior official. This official said he would investigate into it. Nothing came out of the investigation. This is only one of the examples.

Apart from this example, there are others that make me even more worried. President, I think you can still remember the incident of the steel fixers. On that day when a typhoon signal was hoisted, the procession reached the Yau Ma Tei Mass Transit Railway Station. The situation was chaotic. When I arrived at the scene, I felt that the problem had to be resolved or else the situation would worsen. I immediately rang up the Labour Department with the hope of meeting Secretary Matthew CHEUNG, asking him what could be done to resolve the problem. His colleague told me that Mr CHEUNG would be informed of whatever I told him. I asked him whether I could talk to Mr CHEUNG over the phone. I told him the atmosphere was tense and I had already made arrangements with the police for the parties to negotiate in a hall. I asked whether Secretary CHEUNG could come and explain the situation to the workers so as to resolve the many problems involved. We waited for a few hours. The police had made arrangements for us and laid down many plans in order that the problem could be resolved. But in any case, he did not talk to me. I made a request. I asked whether he could talk to me over the phone just once. No, it was not possible. President, these problems seriously affect the development of our society. It is not just an issue of core values mentioned by Mr Andrew CHENG anymore. If the problems are not resolved, the situation will be more chaotic. Why do officials treat us like that?

There were many complaints from friends who took part in the recent District Council Election. Which aspect of the election was worth complaining about? It was the help provided by District Offices in the demarcation of constituencies, which resulted in splitting up constituencies originally advantageous to certain political organizations. The constituency of a District Council member was originally intact. However, it was split into four constituencies. He did not even know where he should stand. No matter where he stood, it was only one fourth of the original constituency, resulting in a sure loss of the seat. Such a situation will actually create undesirable consequences to the harmony of society as a whole.

Chief Executive Donald TSANG has emphasized in this year's policy address that society needs harmony, not division. But the question is, President, how we can achieve harmony if there is a situation of affinity differences with political parties? The phenomenon mentioned above will only aggravate the resentment of the people. What benefits will it bring? As a matter of fact, the large-scale rally on 1 July when 500 000 people took to the streets served as an effective alarm. Why has the Government not considered the issue carefully and carried out a review of it? Apart from the issue of enacting legislation on Article 23, the rally on 1 July was also about a very important issue — collusion between the Government and business. The concept of affinity difference is behind this. The behaviour of officials that reflects closeness towards certain groups of people and distance from other groups, and even suppression of the latter, have created many conflicts in society.

However, it seems that our Government has undergone dynastic changes. After the new Government has assumed office, conflicts in society seem to be less acute, so the Government believes it can return to the old practice. President, this is not appropriate at all. The recent stabilization of the economy has lessened resentments among the public. Not too many conflicts have been created. But these days do not last forever. I am worried that when things turn bad, the seriousness of the long-term consequences of this issue will reach a degree beyond our imagination. This is particularly so when we demand civil servants to undergo a transformation, from being impartial, focusing on events rather than persons, focusing on events rather than political organizations, focusing on events rather than political stance, to giving ways to certain parties. As I have just said, the long-term consequences are very serious.

But it seems that our Government wishes to continuously aggravate the issue. In which aspect does aggravation take place? Several colleagues have just mentioned it. It is the Accountability System for Principal Officials. As a matter of fact, the accountability system is only a system for senior officials to form a small circle of their own people so that their political powers can be consolidated. President, this should give no cause for much adverse criticism. It is understandable that the Government in power wishes to implement policies with people who cherish the same ideals, take the same course, and share the same political stance. But this mode or political system is often based on a

democratic and open, as well as accountable political system. Without the premise underpinned by these two factors, it will only end up in a small circle, leading to the consolidation of one's own power, acting according to one's own liking in an overbearing manner. This gives the impression of another form of autocratic rule, giving rise to bias in policy implementation. This is undesirable. It is a situation we are most worried about. Conflicts created by the last term of Government have allowed us to see this clearly. Have we not learnt a lesson from this?

There are many problems with this so-called Accountability System for Principal Officials. I hope that the Government will reconsider the whole issue. Meanwhile, insofar as front-line civil servants or officers of middle ranking are concerned, the Government should tighten the requirement of their strict adherence to maintaining an impartial stance. They should be subject to the strict restriction that political bias should no longer be observed. President, I so submit.

MR CHIM PUI-CHUNG (in Cantonese): President, the topic of our discussion today is maintaining the political neutrality of the Civil Service. But Deputy Directors of Bureau and Assistants to Directors of Bureau mentioned by Secretary Stephen LAM are appointed to fill the posts. Basically they are not civil servants. In this case, what they have to do with our topic is really beyond my comprehension.

Anyway, the stance of a government in whatever it does should be distinct and clear. Meanwhile, I hope that Directors of Bureau will not ask Deputy Directors of Bureau or Assistants to Directors of Bureau to come to the Legislative Council to answer questions just because they look down upon Members of the Council. These people may not have a good understanding of the situations concerned. Neither the Chief Executive nor the SAR Government would like to see such a situation. It is hoped that the relationship between the executive and the legislature can be improved. But in the end, it may only worsen the relationship between the two. I hope that the Directors of Bureau and the government departments concerned will pay special attention to this. This attitude of downgrading the representativeness of the Legislative Council should be avoided. We should understand that with the existing political system in Hong Kong, there is still a certain degree of representativeness in the Legislative Council.

Let us take an in-depth look into maintaining the political neutrality of the Civil Service. In the past, Hong Kong was a British colony, with the Government of Hong Kong implementing colonial policies. Since the reunification of Hong Kong with China 10 years ago, the SAR Government has to emphasize that all of us are Chinese now. The issue in question should not be requiring civil servants to be neutral, which has an implication of not obeying the instructions of the sovereign state, doing whatever you want to do, and saying whatever you want to say. Actually this motion on the neutrality of the Civil Service as proposed today involves an issue of daggers hidden behind the smiles.

Regarding the SAR Government, we have to understand that the Chief Executive is appointed by the Chinese Government. Regardless of whether we agree with it or not, this is the existing political system. If we have a way of overthrowing the Government, we can go ahead and overthrow it. If we do not have a way to do so, then we have to succumb to its rule. Of course, the public have been hearing too much of this kind of stuff and are bored by it. So I hope we can focus our efforts on the discussion of topics that are useful and constructive to Hong Kong. Of course, I absolutely have no objection to the so-called democracy and freedom. But raising too many arguments, showing no respect for facts, and making up unrealistic hopes will, in fact, mislead the public. We should understand that requiring civil servants to maintain political neutrality in Hong Kong, to disregard the local political parties in Hong Kong — we have to understand that several political parties are represented in the Legislative Council. When political parties have more votes, it is natural that their influence will be stronger. It does not matter whether you envy them or disagree with them, this is the fact. After the recent District Council Election, everyone should observe the rules of the game.

Therefore, today we are asking civil servants to treat all local political parties alike, without discrimination. Some Members have talked about being discriminated just now. This is important. But there is a more important point. Some Members have earlier mentioned that the remuneration of civil servants in Hong Kong is much higher than that of many other places in the world. While we encourage the younger generation to become civil servants when opportunities arise, we should also make them feel a sense of honour and commitment as well as acceptance by the public. As the public feel that civil servants deserve being paid such high remuneration and given such honour, civil servants should devote their strength, knowledge and future to the public

wholeheartedly. And a more important point is to make civil servants understand that Hong Kong is already reunited with China. We should all realize that under the concept of "one country, two systems", we have different systems. While China is practicing the socialistic system with Chinese characteristics, Hong Kong is practicing the capitalistic system. We should show respect and give encouragement to each other, learning lessons from each other's experiences instead of confronting each other. Further, we have to realize that we have a sovereign state, and there is the Central Government. We cannot say that since civil servants are neutral, the Central Government has nothing to do with us. It is indeed a joke in saying so. It has been 10 years since the transition to the SAR Government during which it has been impossible for the SAR Government to emphasize such an attitude, because the SAR Government has to be responsible to the Central Government.

The Central Government had granted its power to Mr TUNG before, and now to Mr TSANG. An enormous trust was placed in Mr TUNG. He had failed to accomplish the tasks entrusted by the Central Government. Now we hope Mr TSANG will have a clear vision and understanding. It is true that his recent comments and behaviour, particularly those regarding an opinion survey of the constitutional set-up in Hong Kong, are in contravention of the wish of the Central Government. The Central Government has put emphasis on the economy and developments of various areas. During the Chief Executive's recent duty visit to Beijing, the leaders of the Central Government again emphasized four points to him. Have we seen politics among them? As a clever person, he should understand. There is emphasis on the spirit of democracy, of course, but this is not in conflict with the interests and principles of Hong Kong people. We are not making any advocacy here. But as politicians, we should all the more protect the interests of Hong Kong people in a pragmatic manner. We require 160 000 civil servants to maintain neutrality, but in secret, we are asking them to oppose the policies of the Central Government. This kind of attitude warrants a reflection. We have different political beliefs. This is not a big issue. But if we step beyond without a nation, how can we have a city, and how can we have a region? We should all the more encourage our younger generation to think about this.

We can borrow the merits of other countries in the world, but we should absolutely not forget that we have our own country. The colonial era is over. Our future lies in our own hands. Thank you, President.

MR LEE WING-TAT (in Cantonese): President, it is an important principle for civil servants to maintain political neutrality in the process of policy formulation. Owing to this principle, the operation of our Government has been able to give people an image of impartiality both in substance and impression since the colonial era. This impartiality takes the form of not being politically inclined to one party and suppressing the other party. However, I am beginning to worry that civil servants, particularly those who are ordinary officers, not officials at the Directorate Grade — officials of Directorate Grade are politically appointed — can no longer adhere to political neutrality.

My worry is not about these civil servants themselves. In particular, I am not worried that these middle and senior ranking civil servants will voluntarily change this principle. But some strongholds may begin to lose its position under constant impacts in the macro environment.

Over the past two years, I have talked to two senior civil servants whom I have known for a long time. Both of them are Directorate Grade officials. They are real examples, but I cannot reveal their names.

The first example is someone who serves in a department responsible for livelihood issues. He said that his work was trivial and unimportant, not involving the political system or significant policies. However, he himself had received — in his words — that he sometimes had received calls from "Sai Wan". Of course, "Sai Wan" did not refer to phone calls calling from Sai Wan District. He was referring to calls from the Liaison Office. They were about some District Council members of certain political parties fighting for certain issues. As the work performance of this civil servant was probably not satisfactory, "Sai Wan" called on him to remind him and asked him for help. As for what this civil servant at the Directorate Grade told me, I do not think he needed to lie to me or deceive me. In order words, the phenomenon of this kind is found even in livelihood issues at the district level.

I do not know whether Secretary Denise YUE has heard of similar remarks during her meeting or discussion with senior civil servants under her leadership. I do not think the example of this civil servant is an individual case. The question is how widespread it is. Although I do not have any scientific data, this is a real example. Thus, I hope Secretary Denise YUE can find an opportunity to ask civil servants whether there is such a situation — probably she

has already talked to these civil servants individually. Sometimes adhering to core values may lead to pressurization. It applies not only to the issue of political neutrality of civil servants. In Hong Kong, in safeguarding freedom of the press, sometimes reporters have to suffer impacts, which may take the form of pressure imposed by the employer of the media organization he works for. In fighting for freedom of association at the level of union, you may find yourself dismissed by your employer because of the confrontation between the union and the employer. A price has to be paid when issues concerning safeguarding core freedoms are involved.

Sometimes we have to give our support to people in their efforts of upholding some values. I believe Secretary Denise YUE is adhering to the principle of maintaining the political neutrality of civil servants. But is it easy to hold this line of defence? In my opinion, it is increasingly difficult to do so.

I have heard from a friend of a political party — I cannot reveal his name, but it is another real example — he is also a Member of the Legislative Council, who is now in this Chamber. He said that before the election, a branch director from a regional office of the Liaison Office talked to one of his party members. The branch director asked him why he did not stand for the election as an independent candidate. In standing for election as he was, he might not be elected *ipso facto*. This person is not a member of my party. He is a member of another political party. He was twice invited to a talk. During the second talk, this member had had enough. He asked the branch director whether he was not satisfied with his organization. If he had any dissatisfaction, why had he not directly reflected his opinion to the chairman of his party. This is the second example I would like to cite.

I am quite pleased with the third example. Regarding the speech of Mr Andrew CHENG just now, I would also like to cite an example. He mentioned just now that senior civil servants were also under pressure. Some political parties regarded by us as the establishment faction wish to make appointments to meet with officials. Actually, there is no problem with this. All of us are involved in district affairs, and sometimes we have to make appointments to meet with officials. I have a personal experience. There was this time when we made an appointment to meet with an official of a district office in order to

discuss some livelihood issues. Probably I was faster in making an appointment just that once. Sometimes I am slower. I had made an appointment to meet with an official of the Directorate Grade. Meanwhile, a political party of the establishment faction also made an appointment to meet with him. The member said that he wished the official would meet with him first before meeting LEE Wing-tat. This Directorate Grade civil servant told him, according to practice, as the Honourable LEE Wing-tat made the appointment first, he had to meet with him first — the member is also a colleague of the Legislative Council, he is here in this Chamber today. He said that since LEE Wing-tat's appointment was on Monday, whether it would be possible for him to meet with the official on Sunday. He actually made this request and asked if that civil servant could meet with him on Sunday. The civil servant replied in the negative as they did not work on Sundays.

I am pleased because this senior official eventually told me about this case. I admired him for doing this. How many of the senior civil servants will be able to bear such pressure? I do not know how many of them can do that. I commended him for adhering to his principle. When I make appointments to meet with officials, I have never specified a meeting before certain parties. I was grateful to this senior civil servant who had told me this example. He said to me, "Tat, I can tell you, this is the only thing I can adhere to — whoever makes an appointment with me first, I will meet with him first. If he makes an appointment first, I will meet with him first. I will not change this principle."

I have cited the third example to Secretary Denise YUE to illustrate that among her colleagues and those I come into contact with, there is such an example. He can adhere to defending this line of defence. But I hope the Secretary would consider this — how long can this line of defence be held before it collapses? In this macro environment, I believe all she can do is to encourage her senior civil servant colleagues to adhere to their principles in dealing with these issues, and to give them encouragement. Sometimes it is not easy to bear such pressure. To us, this is not a big issue, but to senior civil servants, sometimes they may like to minimize conflicts and arguments.

Next I would like to talk about Deputy Directors of Bureau. I do not agree with the principle of Secretary Stephen LAM. Political interference is another reason for my disagreeing with the establishment of Deputy Director

posts. With the creation of Deputy Directors of Bureau, there will be more intermediaries and political agents exerting political pressure in the future. As a result, it will be increasingly easy for this line of defence upheld by civil servants to collapse.

Mutual encouragement and concerted efforts are needed in adhering to principles. I hope all of us can work hard on this. Thank you, President.

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

MR ALBERT HO (in Cantonese): Madam President, if the Accountability System for Principal Officials is established with the aim of protecting civil servants from political impacts and immense political pressure exerted by political parties, I would rather say this is just an excuse. I believe history will prove that my view is accurate.

As a matter of fact, the accountability system was established with the aim of taking away powers from civil servants and transferring them to a group of politicians selected by the Chief Executive in his belief that they will be loyal to him. So what effects will the establishment of the accountability system bring to the civil service system? Will the accountability system genuinely and carefully consider how the neutrality and independence of civil servants can be protected? I feel absolutely doubtful about that.

Earlier Secretary Stephen LAM has more than once compared the existing accountability system to some progressive systems of Western countries. Of course, such a comparison is just a joke. It will only lead to people querying whether this is acting against common sense. Or people will think that the Secretary knows the truth in his heart. It is, in fact, hypocritical to make such a comparison. As far as exercising the right of appointment is concerned, the Secretary certainly knows that a head of state returned by universal suffrage cannot be compared to a Chief Executive returned by a small-circle election, who is often subject to the influence of the Liaison Office or the Hong Kong and Macao Affairs Office.

As a matter of fact, in Western countries, it is not an unusual practice for powers to be handed to a fully and democratically accountable head of state

returned by a democratic election, so that the right of appointment can be exercised by this head of state to form his ruling team. But we have to assess the full background of this. Firstly, in these cases, the head of state is very often returned by a democratic election. Secondly, with a background of being a member of a political party, this head of state has a long history of involvement in politics. In taking part in his political party, he can realize his political belief, while his political party will exercise long-term political monitoring of him.

The most important point, which is absent in Hong Kong but found in other countries, is a system of mutual monitoring, mutual checks and balances and periodic rotation of multi-political parties enabled by the implementation of democratic elections and fair competition. This is very important. It is all because of the rotation system that civil servants find it easier to maintain neutrality and not so easily influenced and fully controlled by the ruling leaders or the ruling political party. As the party not in power today may emerge as the ruling party that declares victory tomorrow or in the next election, civil servants have to treat all political parties taking part in the fair competition equally. He is oppressed by you today, but he has the opportunity to become the official responsible for policymaking in the future. It is under these circumstances that such a delicate relationship of checks and balances is created. How can the system in Hong Kong compare with this? The system in Hong Kong is handpicked.

I think that our civil service system is being damaged in particular. This is not only an autocratic system that arrogates all powers to the Chief Executive, the worst part of this is the mentality of the Chief Executive manifested in what has been mentioned by our colleagues just now — affinity differences for political parties. Under such a policy, we can see that politically appointed officials have to take to the streets to participate in signature campaigns. I saw Secretary WONG Yan-lung take to the street the other day. I could see he was not feeling comfortable with the environment, for he looked very uncomfortable indeed. I think he had never taken to the streets to participate in signature campaigns all his life. I also saw six to seven Directors of Bureau take part in an opening ceremony hosted by a Member of the ruling coalition and visit the seminar camp during the night. Well, as you people have claimed that it is possible to have political participation, I will not argue with you. But your distinct political inclination has created much penetrable influence, resulting in civil servants of lower ranks — may be I should not say lower ranks, I should say those civil servants who are neutral — being influenced and pressurized.

Needless to say, some people undoubtedly aspire to becoming politically appointed officials in the future, but if many believe that future promotions and assessments are based on the important criteria of being loyal to the Government and the Chief Executive, they will want to have good performance in these aspects. This is what makes me so very worried. If Directors of Bureau have to take to the streets because of political pressure, I cannot see why civil servants are not pressurized.

Furthermore, among the examples cited by colleagues just now, I think there is one more point that needs to be highlighted. If Members who have good relationships with the Government fail to get what they hope to obtain from civil servants, they will lodge their complaints with the Directors of Bureau. Apart from lodging their complaints with the Liaison Office, they will lodge their complaints with the Directors, creating new pressure in a top-down manner. Madam President, this will really cause immense impacts on the civil service system.

I hope that Secretary Denise YUE will talk about whether she herself, as the accountable official leading the Civil Service, will state her stance in a clearer manner, and whether there will be more distinct guidelines or codes of practice when she responds later in the meeting. Under the existing system, we hope that politically neutral civil servants can treat demands reflecting public opinion in a genuinely fair and impartial manner, and will not have any political bias.

Owing to these circumstances and the fact that the present political system is still to be rationalized, it is impossible for me to support the further development of the political appointment system, which will only result in being more autocratic. *(The buzzer sounded)*

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

MR CHEUNG MAN-KWONG (in Cantonese): President, an accountable official or Directorate Grade official, even if he has his own political background or political inclination, should remain neutral and impartial in an election of the most politically sensitive nature. What is needed in an election is a fair, open and impartial system to ensure that healthy competition and real competition can take place. Further, a government should not mobilize its manpower and

resources to campaign directly or indirectly for an individual candidate. This has nothing to do with its political inclination and political background, but just the common sense of a government remaining neutral in an election.

However, in the recent Legislative Council By-election (Hong Kong Island Geographical Constituency), under Donald TSANG's principle of affinity differences for political parties, accountable officials of the Special Administrative Region completely left political neutrality of a government in an election to the winds, setting an extremely undesirable precedent in the elections of the Legislative Council.

On 8 October this year, the Government already knew about Regina IP's intention of standing for election. Within a short span of two days, it had arranged three accountable officials, including Michael SUEN, Frederick MA, and Stephen LAM, to meet with her. When public opinion questioned the Government's practice in doing so, including the mobilization of government resources to help campaigning for a candidate, the Government then introduced in haste a new policy which is unprecedented in history and unparalleled in future. The Government indicated that since the number of candidates for the By-election was expected to be small, all candidates would receive equal treatment, and arrangements would be made for other candidates to meet with officials.

But the principle of affinity difference was applied to the so-called equal treatment. Why was the new policy of allowing accountable officials to meet with one of the candidates not announced first before implementation? Why did the Government announce the policy only after it had been implemented? Why did the Government make the belated announcement of the so-called equal treatment in haste only after the candidate had got the benefits, after the public had shown their discontent, and after the public had raised their queries?

There is a saying that "ducks swimming in the river at springtime know the warmth first". The Government is the river at springtime. And one of the candidates, Regina IP is the duck that knows the temperature of the Government before everyone else. She was able to meet with three accountable officials in a span of two days before the implementation of the policy, with information officers releasing photos of the meetings for her. How can it be regarded as equal treatment? How can it be considered fair and impartial?

President, this involves the issue of the role of an accountable official. It does not pose a problem if he has his own political inclination and stance. But with respect to the issue of maintaining the neutrality of government in elections, he cannot apply affinity difference which will eventually hamper the independence, fairness and neutrality of the Government and the Civil Service. Such an approach will only do harm to accountable officials of the Government and injure the long-standing tradition of political neutrality of the Civil Service. It is short-sighted and unwise. This is maladministration and a policy blunder. How can Donald TSANG, in his capacity as the Chief Executive, remain silent to this corrupted phenomenon, a phenomenon that tarnishes the image of maintaining neutrality in elections? How can he face 600 000 voters of the Hong Kong Island Geographical Constituency, who want a fair and impartial election, and the rest of Hong Kong people?

President, I also read another news story today. When one of the candidates, Mrs Anson CHAN, asked to meet with officials to express her view on the recent violent incidents in the election, this "equal treatment" disappeared all of a sudden. Henry TANG and Ambrose LEE used all sorts of reasons to refuse a meeting with her. I have no idea whether they have changed their minds now. Why does this "equal treatment", used as a shield for "remedial actions" one moment, disappear without a trace the next?

I have cited this example as a reminder for the Government. No matter what political stance or attitude the Government adopts, it has to adhere to the principle of fairness and impartiality in policy implementation, particularly so with policies in relation to elections. Otherwise, when accountable officials are partial in these issues, with policies determined by affinity differences and fairness shaken, the tradition and system of the Government as well as the independence and neutrality of the Civil Service are in fact being damaged. Accountable officials have to observe a very important code, that is, to strive to maintain the neutrality of the Civil Service. If you are unable to maintain the neutrality, you are doing improper things yourself. Then how can others believe that you have already exerted yourself in discharging your responsibilities, and have devoted all your efforts to maintaining civil servants' best principle of neutrality?

The examples in relation to elections cited today have given me an enlightenment, that current accountable officials deserve to be criticized as they are doing improper things themselves in dealing with many political issues.

PRESIDENT (in Cantonese): Mr CHEUNG Man-kwong, you mentioned the names of two candidates of the Legislative Council By-election. In order to adhere to the principle of maintaining fairness and impartiality, please also say the names of the other six candidates.

MR CHEUNG MAN-KWONG (in Cantonese): President, it is my pleasure to do so. But I am not sure whether I can remember them all. One of the candidates is LAU Yuk-shing. One is called HO Loy. One is called SIU See-kong. One is called Stanley Tandon Lal CHAING. And there are also Cecilia LING Wai-wan as well as LEE Wing-kin.

PRESIDENT (in Cantonese): Mr CHEUNG Man-kwong has accomplished the task with hints and assistance from other Members. Does any other Member wish to speak?

(No Member indicated a wish to speak)

PRESIDENT (in Cantonese): If not, I now call on Ms Margaret NG to speak on the amendments. The speaking time is five minutes.

MS MARGARET NG (in Cantonese): President, to begin with, it must be pointed out that Mr Alan LEONG's amendment is utterly necessary one, as evidenced by Members' remarks, for he aims to make us squarely address the impacts of politicization on the neutrality of civil servants. There are many instances which can show that the administration of Hong Kong is marked by partiality and unfairness, not at the political level, but at the levels of policy execution and civil service operation.

Mr Andrew CHENG has cited many examples. And, it so happens that I also experienced one such incident personally. Yesterday evening, an election candidate and I were in the streets, canvassing for votes. There was this hawker stall next to us. I told myself that it was so nice to allow hawkers to sell chestnuts in the cold winds of the evening. But surprisingly, soon afterwards, someone came along and arrested one of the hawkers. When that hawker, a

middle-aged woman, walked past us, she cursed me. I could not hear her clearly at that time. Later on, when our canvassing was over, the several hawkers I saw earlier emerged again. I said to them, "I am sorry for causing you so much trouble just now. What actually happened?" They replied, "The men from the FEHD told us that you had complained about us, so they came along to arrest us." It was a blatant lie. Two voluntary workers and I were busy canvassing for votes all the time, so we obviously could not have spared any time to complain about anyone. But something like this still happened. Should Secretary Denise YUE look seriously into this? Should we still deny the fact that the impacts of political appointments have already been felt in the upper echelons of the Government? If we still do not face all these facts, how can we put forward any cogent arguments in the discussions on strengthening the civil service framework to make civil servants more politically neutral?

Secretary Stephen LAM has talked about many things, about how the whole thing is similar to a democratic political system, for example. President, I do not think it makes any sense for me to refute his arguments one by one because I have already done so many times before. And, I suppose he also knows how I will refute his arguments. His characteristic sophistry and remarks confounding right and wrong are themselves an apt reflection of the ugliest face of the accountability system. I do not really need to make any further accusations. I only want to call upon Members to support Mr Alan LEONG's amendment.

Concerning Mr TAM Yiu-chung's amendment, I stated in my speech earlier that its central idea did not run counter to the original motion, and that because of his partial support, we naturally would not oppose his amendment. But when he spoke just now, he made clear his position on the question of timing, and not only this, he even denied the fact that the system of political appointments had caused adverse impacts on political neutrality. And, he also made use of the subject as a pretext for giving some very extreme views that stirred up discord. In response, I could only dismiss all he said with a laugh. But when he touched upon concrete issues, he denied the necessity of Mr Alan LEONG's amendment. We therefore cannot support Mr TAM Yiu-chung's amendment. We shall abstain at the vote on it.

President, the motion topic today carries very great significance. Members' discussions on all the related details and issues may well be based on

their true feelings and observations, but what counts in the end should be how we can take immediate actions to review the civil service framework, to make it more satisfactory, to set down a code of practice for civil servants and to divide responsibilities and accountability clearly. It is only in this way that we can establish a strong team to support the Government's administration. If this cannot be done, Hong Kong people will be the victims. President, I call upon Members to support Mr Alan LEONG's amendment and my original motion. Thank you.

PRESIDENT (in Cantonese): Secretary for the Civil Service.

MS MARGARET NG (in Cantonese): President, I am sorry, but I wish to add one point.

PRESIDENT (in Cantonese): You still have a point to add?

MS MARGARET NG (in Cantonese): Yes, I wish to add one point. I am sorry. When I rose to speak just now, I should have apologized to Secretary Denise YUE before everything else, but I somewhat fell victim to my own oversight and could not notice her presence. Maybe, she is true to her conviction, thinking that as the representative of civil servants, she should not sit so close to the front rows. Thank you, President.

SECRETARY FOR THE CIVIL SERVICE (in Cantonese): President, first of all, I would like to thank Ms Margaret NG for proposing today's motion debate and all Members who have spoken. The Hong Kong Special Administrative Region (HKSAR) is blessed with a quality, professional, clean, politically neutral and permanent civil service. Civil servants are the backbone of the HKSAR Government, providing a solid foundation and stability for its governance and delivering public services in the front line.

Since the establishment of the HKSAR Government, the Civil Service has been facing increasing pressure with growing public demand for government services in both quantity and quality. Nevertheless, civil servants could still

provide quality services with professionalism and integrity. Their achievements are evident to the public.

The maintenance of a quality, professional, clean, politically neutral and permanent civil service directly hinges on its formation and operation. Some elements are more important, such as civil service appointment system, performance management, promotion arrangements, training and development, discipline and integrity, and the division of functions and duties between politically appointed officials and the Civil Service. I am going to brief you on the measures relating to these elements in the rest of my speech.

Appointments to the Civil Service are based on the principle of open and fair competition, as well as the merits of candidates. Civil service vacancies are filled by selection from among suitable candidates. In general, civil service vacancies at basic ranks are normally filled by open recruitment and by in-service appointment from other grades. Having regard to job demands, each grade will specify its basic entry requirements, including academic and professional qualifications, specific skills, work experience, language proficiency, and so on. In an open recruitment, applicants who meet the entry requirements are required to attend competitive interviews and/or written examinations. The recruitment board will select suitable candidates on the basis of their merits and overall performance in interviews and written examinations.

It was mentioned in this year's policy address that the Basic Law would form part of the civil service recruitment examination. I would like to take this opportunity to explain that the objective of this measure is to promote public awareness of the Basic Law. The knowledge of the Basic Law required of the candidates will be determined according to the entry requirements and job nature of individual grades. We are working out the detailed arrangements, which will be announced in due course. I have to emphasize that the Government will take into account the overall performance of candidates for selection for civil service appointment. Candidates' performance in the Basic Law test will be one of the factors to be considered in the overall assessment and will not affect their eligibility for applying for civil service posts.

Promotions of officers are based on such criteria as ability, character and experience. When vacancies of a higher rank have to be filled, promotion boards will be convened to select suitable officers to fill the vacancies. All eligible candidates are considered with reference to the same set of criteria.

Moreover, as far as higher-ranking posts (that is, maximum salary at Master Pay Scale Point 26 or above) are concerned, matters concerning their appointment and promotion have to be submitted to the Public Service Commission (PSC) for consideration and advice. The PSC is an independent statutory body. Its chairman and members frequently attend recruitment and promotion board meetings of government departments to observe the procedures of these boards, and to advise on various issues relating to human resources management. The PSC also examines in detail appointment and promotion recommendations to ensure that the appointment and promotion systems are fair and impartial and that selection is based on the merits of candidates.

To ensure that the recruitment and promotion of officers will not be affected by political considerations, all politically appointed officials, with the exception of the Secretary for the Civil Service and the Secretary for Justice, will not sit on any civil service recruitment/promotion boards.

Performance management is another important element in maintaining a quality and professional Civil Service. As I have mentioned, performance is a crucial consideration for promotion. The performance of all serving civil servants is assessed on a regular basis to enable both the staff and the management to understand better their duties and job objectives. Performance management helps departments identify the training and development needs of their staff and motivate them to strive for excellence by reflecting their strengths and weaknesses. It also facilitates management in selecting deserving officers for advancement and taking appropriate actions against poor performers.

In an effort to provide an effective system for performance management, we have put in place well-established and comprehensive procedures to ensure the fairness and impartiality of the existing performance appraisal system in the Civil Service and to reinforce our performance-based culture. Under the existing triple-assessment system, each appraisal is completed by officers from different ranks, including the appraising, countersigning and reviewing officers respectively. Appraisal interviews are conducted and complaint mechanisms have also been put in place to ensure consistency in assessment standards and fairness in the performance rating in staff appraisals.

We have also introduced different schemes, such as the Commendation Letter Scheme, Staff Motivation Scheme, Staff Suggestions Scheme, Long and Meritorious Service Award Scheme and Civil Service Outstanding Award

Scheme, to motivate civil servants to make continuous improvement in service quality or suggestions to enhance civil service efficiency. For instance, under the Commendation Letter Scheme, there are, on average, about 120 civil servants receiving commendation letters from their heads of departments every year for their excellent and outstanding performance. At the central level, a total of 75 civil servants with consistently outstanding performance received awards at the fourth presentation ceremony of the Secretary for the Civil Service's Commendation Awards just held in mid-November this year. Furthermore, in the 2007 Honours List, a total of 120 serving and retired civil servants have received honours or awards from the Chief Executive direct for their contribution to Hong Kong and their public and community service. The honours and awards include Bauhinia Awards and Stars, Medal of Honour, Bravery Awards and Chief Executive's Commendation as well as different awards applicable to the disciplined services.

Also, to maintain a Civil Service of high standard performance, established procedures have been put in place to order, when necessary, civil servants with persistent substandard performance to retire in the public interest under the Public Service (Administration) Order. In 2003 and 2005, we reviewed and streamlined the procedures for ordering substandard performers to retire, so that more effective and speedy management action can be taken against those whose performance is not up to the required standard.

Civil servants are also expected to abide by the code of conduct embodied in various civil service regulations and uphold high standards of probity in both their official capacity and private life. It is clearly stated in the relevant regulations that civil servants should not use their official position to further their private interests, nor accord preferential treatment to organizations or persons with whom they have connections. They are required to uphold the honest and impartial image of the Civil Service and to observe an exemplary standard of personal integrity in making private investments. They must ensure at all times that there is no conflict of interest between their official duties and private investments. They are also required to report any such possible conflict of interest.

To maintain civil service discipline, we have in place a well-established disciplinary mechanism. Acts of misconduct committed by civil servants will be handled by the Government in strict accordance with the established disciplinary procedures. Depending on the gravity of the misconduct and the

specific circumstances of individual cases, the officers concerned may be subject to disciplinary sanctions ranging from warning to dismissal.

I think Members will agree that Hong Kong's Civil Service is among the cleanest in the world. According to the annual report of the Transparency International released in September this year, Hong Kong ranks 14 among 179 countries and regions in the Corruption Perception Index, one place up as compared with last year. I am also glad to see that the overall number of corruption cases and related convictions involving civil servants has dropped gradually in recent years. This hinges on the close co-operation among the Civil Service Bureau, the Independent Commission Against Corruption (ICAC) and bureaux/departments, and their continuous efforts to build up and enhance the culture of integrity in the Civil Service over the years.

For instance, we, together with the ICAC, have adopted a number of measures to enhance the integrity management of the Civil Service, including:

- Formulating regulations and guidelines on the conduct of civil servants, covering problems which may arise when civil servants take part in activities in their official and private capacities.
- Establishing the on-line Resource Centre on Civil Service Integrity Management with continuous updates of information. Cases involving various acts of misconduct have been uploaded for the reference of the management and staff.
- Organizing leadership forums to provide opportunities for officers at management level to share experience in ethical leadership and explore the new challenges facing them.
- Launching a Civil Service Integrity Entrenchment Programme. Under the programme, the outreach team, comprising directorate officers from the Civil Service Bureau and the ICAC, visited various bureaux/departments to discuss practical issues in relation to integrity management.
- Introducing the Ethical Leadership Programme in bureaux/departments. The programme aims to embed the culture of integrity through the leadership of the senior management. The

Civil Service Bureau and the ICAC also regularly organize workshops and visits to departments. We are establishing an intranet as a platform for sharing opinions among officers responsible for integrity management from all bureaux/departments. We are also preparing for the publication of a booklet to provide civil servants with clear guidelines on the common law offence of "misconduct in public office".

I think Members will agree that training and development are pivotal to maintaining a quality and professional Civil Service.

We believe that diversified training should be provided to cater for the needs of civil servants of senior, middle and junior levels. For senior colleagues, we provide training courses on leadership, reaching out to the community, response to the media, response to the parliament, and so on.

Regarding civil servants of other levels, we are also committed to providing training courses on general management, human resources management, languages, communication skills, information technology and customer service, as well as courses tailor-made for the implementation of specific initiatives or projects undertaken by departments or bureaux, and so on.

President, today's motion also touches on the important issue of how to maintain a politically neutral civil service under the political appointment system. Maintaining a politically neutral civil service has always been the core value upheld by the Government. It will only assume an increasingly important role under a changing political landscape.

The most fundamental principle for the political neutrality of the Civil Service is that civil servants should assist the Chief Executive and the politically appointed officials of the day in formulating policies, implementing decisions taken and administering the public services under their charge — whatever their political assertion — with full loyalty. This is also the constitutional obligation of the Civil Service. Article 99 of the Basic Law stipulates that public servants must be dedicated to their duties and be responsible to the HKSAR Government. Public servants certainly include civil servants. Category (1) of Article 48 of the Basic Law provides that the Chief Executive is to lead the Government of the HKSAR. Article 60 of the Basic Law also provides that the head of the HKSAR Government shall be the Chief Executive of the HKSAR.

After the introduction of the accountability system in 2002 and in the course of moving towards the election of the Chief Executive by universal suffrage, the full loyalty of civil servants towards the incumbent Chief Executive and maintaining the political neutrality of the Civil Service have become more important than ever. Through rendering loyal service, civil servants can secure the trust of the Chief Executive, Principal Officials and the Government of the day irrespective of their political assertion. On the other hand, when a new Chief Executive and new Principal Officials assume office, and when a new Government is formed, the permanent civil service will likewise serve them with loyalty, even though the political assertion of the new Government may be different from the previous one. Only through this could civil servants secure the trust of every Chief Executive and every term of the HKSAR Government.

Upon the introduction of the accountability system in 2002, the Civil Service Bureau issued a set of guidelines to all civil servants, explaining in detail the roles and responsibilities of civil servants and Principal Officials, and in particular, the principles and key elements of political neutrality. These guidelines are also applicable to the further development of the political appointment system. Some of the key elements include:

- civil servants will loyally assist the Chief Executive and the politically appointed officials of the day to their best abilities when discharging duties, and tender honest and clear advice in the process of policy formulation. They will, when necessary, debate issues with the incumbent Principal Officials.
- once decisions are taken by the Chief Executive or the Principal Officials concerned, civil servants will, regardless of their personal convictions or positions, fully support and faithfully implement the decisions taken.
- civil servants will assist Principal Officials in explaining and defending decisions taken so as to gain the support of the public and the Legislative Council.
- civil servants, whether they agree to or object to the policy concerned, shall neither express their own views in public nor raise a different opinion throughout the process.

To further maintain the political neutrality of the Civil Service, it is the government policy that serving civil servants, with the only exception of the Secretary for the Civil Service, must leave the Civil Service once they accept an offer to fill a politically appointed position.

To maintain the tie between the Secretary for the Civil Service and civil servants, the candidate for the position of the Secretary for the Civil Service is selected from among serving civil servants. He or she can join the Civil Service again upon the expiry of his or her term of office.

The Secretary for the Civil Service is responsible for civil service policies and management. One of his or her main duties is to uphold the core values of the Civil Service. This arrangement helps the incumbent of the position in maintaining the integrity and political neutrality of the Civil Service.

Some Members have just pointed out that it is inappropriate for civil servants to assist Principal Officials in defending or promoting contentious political decisions under the political appointment system. I have to point out that there are not more than 20 politically appointed officials under the existing political appointment system, and will not be more than 40 in the future. In fact, this job will be never-ending if all the important duties of explaining government policies, including defending and promoting such policies, are entrusted to the 40 politically appointed officials alone. We therefore hold that the concept of a politically neutral Civil Service does not mean that civil servants need not engage in any work with political content. As mentioned earlier, civil servants have the responsibility to explain and promote government policies. Once decisions are taken by the political tier, civil servants will, regardless of their personal convictions, implement the decisions taken and discharge their public functions without fear or favour.

In fact, senior civil servants have all along been involved in work with political content. I mean explaining and defending government policies and decisions, and lobbying for support for them. But they must remain neutral and are not in favour of any political party when performing such duties. In formulating and implementing policies, no consideration should be given to the interests of political parties, and any contact with political parties should be restricted to discussions of issues of concern. Also, civil servants can, when necessary, explain and promote government policies to political parties and political groups.

The political team will play a more crucial role in undertaking political work after the new political appointment positions have been created. This, however, does not mean that civil servants, particularly senior and experienced officers, will not be required to take part in, for instance, any parliamentary work. Engaging in such work is not contradictory to the principle of political neutrality of the Civil Service.

I also understand that some Members are greatly concerned whether the political neutrality of the Civil Service will be affected in a changing political environment, in particular if civil servants may be chosen to take up political appointments. In this regard, the Government has put in place adequate preventive measures to ensure the political neutrality of the Civil Service in discharging duties. We have clear guidelines governing civil servants' participation in political activities. The primary objective of the guidelines is to ensure that civil servants should enjoy their individual civil and political rights but at the same time the Civil Service should remain impartial and no conflict of interest should arise in the course of discharging official duties.

As regards standing for elections and participating in electioneering activities, all civil servants are currently disqualified from being nominated as candidates or being elected to the District Councils, the Legislative Council, or as the Chief Executive in accordance with respective laws (that is, the District Councils Ordinance, the Legislative Council Ordinance and the Chief Executive Election Ordinance). We have issued separate guidelines for each election to remind our colleagues of matters requiring attention. Before each election, we would remind them again to read the guidelines. Under no circumstances would a civil servant be allowed to use his official position or public resources to canvass votes. Neither should they disclose official information which has been communicated in confidence within the Government or received in confidence from others.

We have also clearly spelled out the criteria or requirements the Government has adopted in governing civil servants' participation in political activities. For example, officers who are involved in policy formulation or in the enforcement of public order are prohibited from participating in political activities as their involvement would give rise to questions about the impartiality of the Civil Service. This being the case, we will ask them not to participate in political activities within the Hong Kong context and activities relating to political parties.

Civil servants must remain impartial in discharging duties and should not be in favour of any political parties. Should Members encounter cases of this kind, I hope they will immediately provide details to the department or bureau concerned, including the management of the Civil Service Bureau, for follow-up actions. Should Members think that these are cases of maladministration, they could report them to the Office of The Ombudsman.

Should civil service colleagues have doubts about the requirements and instructions given by the politically appointed officials, they can discuss with their supervisors and seek the advice of their respective Permanent Secretary when necessary. If the doubts still cannot be cleared after discussions between the Permanent Secretary and the politically appointed official concerned, including Principal Official, the case can be presented to the Secretary for the Civil Service for action and solution. If necessary, the Secretary for the Civil Service will report the case to the Chief Secretary for Administration, the Financial Secretary or the Secretary for Justice, or directly to the Chief Executive for consideration.

Apart from political neutrality, I note some Members have pointed out that there will be some impact on the Civil Service after the implementation of the accountability system. I would like to briefly respond to this as follows:

There are comments that the accountability system will do away with the head of the Civil Service, resulting in a lack of connection among departments. I would like to clarify this point.

The Chief Secretary for Administration is mainly responsible for assisting the Chief Executive in overseeing the work entrusted to bureaux by the Chief Executive, including the work of the Civil Service Bureau. He or she should also ensure good co-ordination in the formulation and implementation of policies within his or her ambit. The Secretary for the Civil Service is mainly responsible for civil service policies and management. Under the accountability system, the division of responsibilities is clear between the two positions.

Civil service policies are among the most important government policies. Like any other Principal Officials, the Secretary for the Civil Service has to assume full responsibility for all matters within his or her portfolio. As a Member of the Executive Council, the Secretary for the Civil Service, with his or her civil service background, can directly influence the considerations or

decisions relating to civil service matters. He or she takes into full account the roles and concern of the Civil Service when the Government makes any important decisions. The Civil Service Bureau is responsible for the effectiveness of civil service policies and management. In particular, the Bureau has to uphold the beliefs and practice of maintaining the basic core values of an honest, efficient, professional and meritocratic Civil Service.

Regarding the connection between departments, there is an established mechanism to co-ordinate the communication between and operation of various bureaux and departments. Matters involving more than one bureau/department will first be co-ordinated by the bureau and department concerned. Should there be issues which cannot be resolved immediately, there is also a mechanism under which the issue can be submitted to the Secretaries for instruction or referred to the more senior level policy committees for solution. The existing mechanisms work effectively and have not been affected by the implementation of the accountability system.

Some Members are concerned that there will be impact on the civil service system if outstanding civil servants are appointed as Principal Officials, Deputy Secretaries or Political Assistants. Members can rest assured that the Government has put in place a well established system in developing staff and grooming successors to ensure that civil service posts will, despite continuous staff changes, still be filled by officers of suitable calibre.

In fact, regarding the further development of the political appointment system, I believe Members will agree that politically appointed positions should be taken up by committed and competent persons from different sectors of the community. I do not think that civil servants should be excluded from being considered for such positions.

The motion debate proposed by Ms Margaret NG today also brings out an important issue — the division of responsibilities and co-operation between the Civil Service and politically appointed officials. In this regard, I believe that given the direction of our current political development, no one will dispute that there is a genuine need to clarify more clearly the functions and roles of the Civil Service and politically appointed officials. It is for this reason that the Chief Executive announced in the policy agenda released last month that in line with the expansion of the political appointment system, a Civil Service Code will be issued, setting out the framework within which civil servants are expected to

work with politically appointed officials under an expanded political appointment system.

This Civil Service Code will be conducive to maintaining the political neutrality of the Civil Service in the further development of the political appointment system. It will define the principles and values to be followed and upheld by the civil servants, and their roles and responsibilities under the expanded political appointment system. It will also clarify the working relationship between the Civil Service and politically appointed officials.

The Civil Service Bureau is now drafting the details of the Code. At this stage, we envisage that the draft will be completed in the first quarter of 2008. We will consult the staff sides and the PSC. We will then submit the draft to the relevant Legislative Council panel for discussion.

In passing, I would like to point out that apart from civil servants' efforts, full co-operation of politically appointed officials is also essential to the maintenance of the political neutrality of the Civil Service. In this regard, the responsibilities of politically appointed officials in relation to civil servants are clearly provided for in the existing Code for Officials under the political appointment system. In particular, one of the provisions specifies that politically appointed officials shall at all times actively uphold and promote a permanent, honest, meritocratic, professional and politically neutral Civil Service.

President, I believe that with the concerted efforts of all parties, the Civil Service will continue to co-operate fully with the politically appointed officials in serving the public with dedication and professionalism.

President, the maintenance of a quality, professional, clean, permanent and politically neutral Civil Service is the common wish of all Members in this Council and all citizens of the HKSAR. As the Secretary for the Civil Service, I will continue to exert myself to this end.

President, I support Ms Margaret NG's motion. Thank you, President.

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Cantonese): Madam President, I am grateful to Members for expressing so many

views on this very important question today. The Secretary for the Civil Service has already given a detailed reply, but I also wish to add a few points on several aspects.

First, I wish to point out that we all probably support the principle underlying Ms Margaret NG's motion on maintaining the political neutrality of the Civil Service. In her speech, Ms Margaret NG made it a point to say that the civil service system in Hong Kong is very important, being one of the underpinnings of Hong Kong's success over the years. The Government of the Special Administrative Region (SAR) shares this viewpoint. The political appointment system for principal officials we introduced in 2002 is aimed precisely at better protecting the present Civil Service, the neutrality of civil servants and political neutrality.

Since the establishment of the political appointment system for Secretaries of Departments and Directors of Bureau, these officials have been serving as a firewall between society and the civil service system. Whenever there are any controversies in society, they will bear the all brunt of the resultant political flak and pressure, thus protecting the 160 000-strong Civil Service.

Ms Margaret NG also mentioned especially the working relationship between Secretaries of Departments, Directors of Bureau and the Chief Executive, and questioned whether there is still one more tier of accountability in between. As explained in the paper presented by the new SAR Government to the relevant panel of the Legislative Council, after taking stock of the experience in the past few years, we have decided to resume the past arrangement of having a line of responsibility under the Chief Executive comprising the Chief Secretary for Administration and the Financial Secretary. The restoration of this arrangement can help Directors of Bureau in the discharge of their duties, for they will not always have to consult the Chief Executive on every issue they handle. In some cases, they need only to discuss with the relevant Secretaries of Departments, and with some simple co-ordination, they will get the job done.

Ms Margaret NG also mentioned in particular that the salaries of Directors of Bureau should be set at D8 of the Directorate Pay Scale or equivalent, and that those of Deputy Directors of Bureau should be pitched at D4 to D6 of the Directorate Pay Scale or equivalent. According to her, the salaries of Directors of Bureau should not be as high as D10. I must explain one fundamental point

very clearly to Ms Margaret NG here. The salaries of Secretaries of Departments and Directors of Bureau are not actually linked to the pay scales of the Civil Service. When setting the salary points for Secretaries of Departments and Directors of Bureau, we did consider D8 of the Directorate Pay Scale as a point of comparison, but the pay scale for these principal officials is in fact independent.

Mr Alan LEONG strongly emphasized that Hong Kong should treasure the principle of meritocracy. This is also the very principle treasured by the Government over all these years. But in regard to his worry that some civil servants may try to curry favour with the Chief Executive in order to get promotion, I must say that his fear is a bit exaggerated, and that he simply does not value and recognize the civil service code established by civil servants over the past decades. We have a team of dedicated civil servants who are both impartial and pragmatic. The 160 000 civil servants will certainly continue to adhere to the code when serving Hong Kong in the future. In case any civil servants are invited to serve as Deputy Directors of Bureau, Directors of Bureau or Secretaries of Departments in the future, the invitations will definitely be based on their ability and experience. I do not think that Mr Alan LEONG's argument is at all justifiable.

Dr YEUNG Sum is especially skeptical of our thinking that the further development of the political appointment system can pave the way for electing the Chief Executive by universal suffrage. According to him, a Chief Executive returned by the Election Committee enjoys no credibility. With due respect, I must say that I do not agree with him. Although our election of the Chief Executive is not yet based on universal suffrage, the 800-strong Election Committee is nonetheless widely representative to a certain extent. It can be observed that in the Chief Executive Election in March this year, Mr TSANG received the support of almost 80% of the Election Committee members, and the opinion polls conducted by various universities and other institutions all showed that nearly 70% of the public supported the election of Mr TSANG as the Chief Executive. For this reason, the claim of Dr YEUNG Sum and other Members that the Chief Executive commands no credibility is simply not supported by facts.

Why do we think that the further development of the political appointment system can help pave the way for returning the Chief Executive by universal suffrage? As I pointed out at the very beginning, when Secretaries of

Departments, Deputy Directors of Bureau and Political Assistants to Directors of Bureau are all politically appointed, there will be several dozen more posts to nurture a team of additional political talents who are engaged in political work and the formulation and execution of government policies. This will be conducive to the overall political and democratic development in Hong Kong.

Ms Emily LAU and other Members have been repeatedly reminding us on different occasions over the past few years that the Chief Executive of the SAR should seek to establish a political coalition, so as to maintain contacts with different political parties and groupings both inside and outside the legislature and join hands with them to handle the public affairs of Hong Kong. But I observe that Members belonging to the opposition camp are just not true to their words. Before we started to further develop the political appointment system, they argued that we must make more efforts in this regard. But now, after we have put forward the motion and recommendations, they put up objection on the basis of some opposite arguments. I think people must always be true to their words. If Members hope to see any democratic development in Hong Kong, if they hope to see wider career prospects for political party members, they should not oppose the present package of proposals.

Mr Andrew CHENG has referred to Singapore, expressing the worry that Hong Kong might turn increasingly "Singapore" in many different ways. I think he is over-worried and his words are nothing but demagogue. Over the past few decades, Hong Kong has established a tradition of upholding civil liberties and the rule of law. Hong Kong people all value this very fine quality of their society. Hong Kong simply will not become another Singapore. In Hong Kong, we will develop our own democratic system based on political appointments and create more room and channels for political participation as provided for under the Basic Law.

Ms Emily LAU has made special reference to the fact that the salaries of Secretaries of Departments and Directors of Bureau are higher than those of their counterparts in other foreign governments. I must, however, explain to Members that the salaries of all public officers in Hong Kong, be they Secretaries of Departments, Directors of Bureau, other politically appointed officials or civil servants, must be viewed against the salary levels in the private labour market. Since Hong Kong is quite advanced in economic terms, the salaries offered by private enterprises are often higher than those in European and American countries. It is indeed true that the salaries of public officers in

Hong Kong are quite higher. But it must be borne in mind that all such salaries are set in accordance with Hong Kong's economic growth and development.

Ms Emily LAU has also made special reference to the accountability system, remarking that it is not successful. She argues that the political appointment system is not successful because a Director of Bureau had to tender an apology on the penny stocks incident and another Director of Bureau had to step down due to the outbreak of SARS. Actually, Ms Emily LAU and other Members in the opposition camp have been secretly replacing concepts and adjusting the width of the "goal" to suit their purposes, adopting inconsistent criteria. Members may still remember what happened during the substandard piling works incident several years ago. At that time, Members all targeted on the Housing Authority Chairman and Director of Housing, questioning whether the officials concerned should step down because of this serious blunder. The political appointment system for Secretaries of Departments and Directors of Bureau was established in 2002. This was followed by the penny stocks incident. The official who came forward and assumed responsibility for this incident was the relevant Director of Bureau, not the Permanent Secretary. Members may have forgotten who this Permanent Secretary was. It was Mr Tony MILLER. We protected this Permanent Secretary, meaning civil servants and the Civil Service. Members must therefore be fair in their comments. Years ago, they questioned us why no actions were taken, so now, when we take actions, they should not query the rationale behind our decision.

Mr Albert HO has advanced many arguments, one of which sounds rather strange to me. I must say that this particular argument simply cannot be sustained. According to him, our decision to expand the political appointment system is aimed at taking powers from civil servants. Under the Basic Law, the Chief Executive is the head of both the SAR and the SAR Government. He has the authority to exercise the powers vested in him under the constitutional system and laws of Hong Kong and discharge his responsibilities. How can anyone accuse him of taking powers from civil servants? What kind of logic is this? I simply cannot understand.

Mr CHEUNG Man-kwong has drawn Members' attention to the upcoming Hong Kong Island Legislative Council By-election, saying that a candidate has met with our Directors of Bureau. I have actually replied to Members' questions on many different occasions, including Legislative Council meetings, that every candidate will be accorded equal treatment. After our meeting with Mrs Regina IP, we did release a photograph because it was our practice to release one after meeting with all organizations and receiving their submissions

during the public consultation exercise on the Green Paper on Constitutional Development in the past three months. This was to ensure a certain degree of transparency for the whole consultation exercise.

Mr CHEUNG Man-kwong has also questioned us why the Chief Secretary for Administration decided not to meet with another candidate. I wish to explain that it is in fact our policy to accord equal treatment to all candidates in terms of legal and police protection. The Chief Secretary for Administration has decided that the matter should be handled by the police. We are of the view that it is perfectly appropriate for him to so decide.

Madam President, I believe you will certainly remind me that since I have referred to two of the candidates, I should also refer to the rest. Let me try to cite their names. They should be HO Loy, Stanley CHIANG, LING Wai-wan, LEE Wing-kin and SIU See-kong. The remaining one should be LAU Yuk-shing.

PRESIDENT (in Cantonese): Secretary, you referred to "another candidate" just now without mentioning her name. Please also give the name of this candidate.

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Cantonese): She is Mrs Anson CHAN.

Madam President, in summing up, I wish to emphasize one point, a point which Ms Margaret NG stressed particularly strongly at the beginning of the motion debate. She thinks very highly of the Civil Service in Hong Kong, especially the system before 1997, under which all directorate posts were filled by civil servants. She thinks that the system years ago was proven. She actually wants to question why we should implement any changes.

Before 1997, during the 13 years from 1984 to 1997, we must preserve the various systems in order to ensure that the reunification of Hong Kong with China and the transition could be smooth. We hoped that all these systems could smoothly straddle the 1997 reunification. The civil service system must thus be preserved, and its uniqueness must be duly recognized. But Members must also bear in mind that we started to introduce elected elements into the legislature in 1985. And, since the introduction of 24 elected seats to the Legislative Council in 1985, elected elements were increased at intervals of several years. Therefore, even before 1997, all seats in the Legislative Council

were already elected. But on the other hand, top government posts were still filled by civil servants. This has given rise to an imbalance.

Therefore, after 1997, after reviewing the operational experience of the first term SAR Government, we now think that since times have changed, the constitutional framework and governing team of the SAR Government must also change. Now that times have changed, we will lag behind if we do not make any changes. We of course know that Hong Kong has yet to achieve the ultimate aim of implementing universal suffrage, but we also think that a start must somehow be made. This explains why over the past few years, we have been adopting the approach of "parallel progress" in handling Hong Kong's political and constitutional development. On the one hand, we launched a study on the constitutional development of Hong Kong after 2007 and published the Green Paper on Constitutional Development earlier this year. We want to mobilize society as a whole, so that both inside and outside the Legislative Council, a consensus can be forged on how and when to achieve the ultimate aim of returning the Chief Executive and all Legislative Council Members by universal suffrage. But on the other hand, we also think that we must, in parallel, further develop the political appointment system and liberalize the government administrative framework, so that more people aspiring to a career in politics can become Legislative Council Members or government officials, so that there can be more channels for enlisting political talents to serve Hong Kong in the decades to come.

Therefore, Madam President, I can conclude that our whole set of thinking and concepts is well integrated. I so submit.

PRESIDENT (in Cantonese): I now put the question to you and that is: That Mr TAM Yiu-chung's amendment to Mr Alan LEONG's amendment be passed. Will those in favour please raise their hands?

(Members raised their hands)

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

(Members raised their hands)

Ms Emily LAU rose to claim a division.

PRESIDENT (in Cantonese): Ms Emily LAU has claimed a division. The division bell will ring for three minutes, after which the division will begin.

PRESIDENT (in Cantonese): Will Members please proceed to vote.

PRESIDENT (in Cantonese): Will Members please check their votes. If there are no queries, voting shall now stop and the result will be displayed.

Functional Constituencies:

Dr Raymond HO, Dr David LI, Dr LUI Ming-wah, Mr Bernard CHAN, Mrs Sophie LEUNG, Mr WONG Yung-kan, Mr Howard YOUNG, Mr LAU Wong-fat, Ms Miriam LAU, Mr Timothy FOK, Mr Abraham SHEK, Ms LI Fung-ying, Mr Tommy CHEUNG, Mr Vincent FANG, Mr WONG Kwok-hing, Mr Daniel LAM, Mr Jeffrey LAM, Mr Andrew LEUNG, Mr WONG Ting-kwong, Prof Patrick LAU and Mr KWONG Chi-kin voted for the amendment.

Ms Margaret NG, Mr CHEUNG Man-kwong, Mr SIN Chung-kai, Dr Joseph LEE, Dr KWOK Ka-ki and Mr CHIM Pui-chung abstained.

Geographical Constituencies:

Mrs Selina CHOW, Miss CHAN Yuen-han, Mr CHAN Kam-lam, Mr Jasper TSANG, Mr LAU Kong-wah, Miss CHOY So-yuk, Mr TAM Yiu-chung, Mr Frederick FUNG, Mr LI Kwok-ying and Mr CHEUNG Hok-ming voted for the amendment.

Mr LEUNG Yiu-chung and Ms Emily LAU voted against the amendment.

Mr Albert HO, Mr Martin LEE, Mr Fred LI, Mr James TO, Dr YEUNG Sum, Mr Andrew CHENG, Mr Albert CHAN, Ms Audrey EU, Mr LEE Wing-tat, Mr Alan LEONG and Mr Albert CHENG abstained.

THE PRESIDENT, Mrs Rita FAN, did not cast any vote.

THE PRESIDENT announced that among the Members returned by functional constituencies, 27 were present, 21 were in favour of the amendment and six abstained; while among the Members returned by geographical constituencies through direct elections, 24 were present, 10 were in favour of the amendment, two against it and 11 abstained. Since the question was not agreed by a majority of each of the two groups of Members present, she therefore declared that the amendment was negatived.

PRESIDENT (in Cantonese): I now put the question to you and that is: That Mr Alan LEONG's amendment to Ms Margaret NG's motion, be passed. Will those in favour please raise their hands?

(Members raised their hands)

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

(Members raised their hands)

Ms Margaret NG rose to claim a division.

PRESIDENT (in Cantonese): Ms Margaret NG has claimed a division. The division bell will ring for three minutes, after which the division will begin.

PRESIDENT (in Cantonese): Will Members please proceed to vote.

PRESIDENT (in Cantonese): Will Members please check their votes. If there are no queries, voting shall now stop and the result will be displayed.

Functional Constituencies:

Ms Margaret NG, Mr CHEUNG Man-kwong, Mr SIN Chung-kai, Dr Joseph LEE and Dr KWOK Ka-ki voted for the amendment.

Dr Raymond HO, Dr David LI, Dr LUI Ming-wah, Mr Bernard CHAN, Mrs Sophie LEUNG, Mr WONG Yung-kan, Mr Howard YOUNG, Mr LAU Wong-fat, Ms Miriam LAU, Mr Timothy FOK, Mr Abraham SHEK, Mr Tommy CHEUNG, Mr Vincent FANG, Mr Daniel LAM, Mr Jeffrey LAM, Mr Andrew LEUNG, Mr WONG Ting-kwong and Prof Patrick LAU voted against the amendment.

Ms LI Fung-ying, Mr WONG Kwok-hing, Mr CHIM Pui-chung and Mr KWONG Chi-kin abstained.

Geographical Constituencies:

Mr Albert HO, Mr Martin LEE, Mr Fred LI, Mr James TO, Mr LEUNG Yiu-chung, Dr YEUNG Sum, Ms Emily LAU, Mr Andrew CHENG, Mr Albert CHAN, Ms Audrey EU, Mr LEE Wing-tat and Mr Alan LEONG voted for the amendment.

Mrs Selina CHOW, Mr CHAN Kam-lam, Mr Jasper TSANG, Mr LAU Kong-wah, Miss CHOY So-yuk, Mr TAM Yiu-chung, Mr LI Kwok-ying and Mr CHEUNG Hok-ming voted against the amendment.

Miss CHAN Yuen-han, Mr Frederick FUNG and Mr Albert CHENG abstained.

THE PRESIDENT, Mrs Rita FAN, did not cast any vote.

THE PRESIDENT announced that among the Members returned by functional constituencies, 27 were present, five were in favour of the amendment, 18 against it and four abstained; while among the Members returned by geographical constituencies through direct elections, 24 were present, 12 were in

favour of the amendment, eight against it and three abstained. Since the question was not agreed by a majority of each of the two groups of Members present, she therefore declared that the amendment was negatived.

PRESIDENT (in Cantonese): Ms Margaret NG, you may now give your reply. You have up to 2 minutes and 57 seconds.

MS MARGARET NG (in Cantonese): President, first of all, I wish to thank the Secretary for the Civil Service for supporting my original motion. As for the formulation of a code of practice for civil servants, we may perhaps wait to see how the situation will develop, and we hope that there can be sensible discussions. Actually, the Secretary has expressed many views today, and we do not dispute them. We do support many of the fundamental principles espoused by her. The only thing I find a bit disappointing is that the Secretary has not responded to many specific queries and suggestions. It is especially worth mentioning that we have raised many queries and mentioned many instances, pointing out that due to the pressure of the present political structure, the neutrality of civil servants may be adversely affected in the discharge of their duties. But the Secretary does not seem to take these queries and examples very seriously. She has just advised us to approach the Office of The Ombudsman. I must say that such examples can show where the problems lie and must therefore warrant proper attention.

Another problem which warrants even greater attention is that political appointments made under the system of coterie election will lead to corruption. Frankly speaking, the implementation of universal suffrage and party rotation will be able to avoid such a problem. I cannot quite understand why Mr CHIM Pui-chung should have remarked that since civil servants must be loyal to China, they cannot remain politically neutral. Actually, no one has ever questioned why civil servants should be loyal to China, nor has anyone raised any questions on sovereignty, because the implementation of democracy and universal suffrage, rather than something meant to negate sovereignty, is in fact part of the Basic Law. Our demand for the political neutrality of the Civil Service has nothing to do with "one country". What is more, I am also a bit disappointed to note that the Secretary has not directly answered our question on how the structure of the Civil Service can be strengthened. I am a bit disappointed, not least because although the Secretary is responsible for policies regarding the Civil Service, she is not a representative of civil servants and she cannot claim to be their representative.

It is claimed that there has been proven co-ordination among different government departments. The situation is actually not quite like this as far as we can observe. The lack of any co-ordination within the Government is well evidenced by the handling of poverty alleviation, domestic violence and the West Kowloon Cultural District development project. If the system of political appointments is further developed without any corresponding strengthening of the civil service system, an imbalance will result. A moment ago, Secretary Stephen LAM remarked that the implementation of universal suffrage for the election of Legislative Council Members would lead to an imbalance. I must say to him that the only one kind of political system which can best ensure political balance must be one marked by universal suffrage. When that very day comes, Secretary Stephen LAM can certainly retire with no regret. Thank you, President.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the motion moved by Ms Margaret NG, be passed. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

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

PRESIDENT (in Cantonese): Second motion: Responding to the problem of climate change.

I now call upon Miss CHOY So-yuk to speak and move her amendment.

RESPONDING TO THE PROBLEM OF CLIMATE CHANGE

MISS CHOY SO-YUK (in Cantonese): President, I move that the motion, as printed on the Agenda, be passed.

President, one day, these may be the front-page headlines of Hong Kong newspapers: highest-ever temperature of 40 degrees in Hong Kong; water rationing in Hong Kong again as Dongjiang dries up; authorities to increase harbour embankment height for flood prevention; last coral in Sai Kung dies of rising water temperature; Hong Kong hit by outbreaks of various types of tropical diseases; and, Hong Kong sustains heavy casualties and property damage after successive onslaughts of super-typhoons. Members must not think that these are all alarmist talks or Hollywood movie plots. They are in fact the scientific conclusions drawn by United Nations climatologists after many years of research. Mankind are reminded that if they still do not take any actions now, they must soon pay a very high price.

A couple of days ago, Premier WEN Jiabao drew the Chief Executive's attention to four directions of upgrading Hong Kong's competitiveness, one of which being a sound ecological environment. If the SAR Government continues to show no awareness of climate change and allows the occurrence of all those horrible scenarios in Hong Kong, we shall be made to pay a price we cannot afford. At this very time when the leaders of different municipalities and provinces in the Mainland must make the effectiveness of environmental improvement as an important indicator of governance standard, why should the SAR Government still think that it can be an exception? How can it account for its long-standing failure to formulate any policy, any strategy of gradually reducing greenhouse gas emissions in Hong Kong?

Internationally, the United Nations will hold a summit meeting next week in Bali, Indonesia on how to respond to the problem of climate change. Negotiations on a new agreement on reducing greenhouse gas emissions will be held, with a view to preventing the deterioration of the problem. I will also go to Bali to attend a public hearing on renewable energy held by representatives from the parliaments of different places. My hope is that through this trip, I can get to know the relevant strategies and experience of different places and bring back information for Hong Kong's reference.

Frankly speaking, the SAR Government has never formulated any emissions reduction policies for any types of greenhouse gases. The Action Blue Sky Campaign, the Scheme of Control Agreements (SCAs) for the two power companies, the Guangdong-Hong Kong emissions reduction target and even the recent proposal on switching off idling vehicle engines are all targeted on other types of pollutants, not greenhouse gases. There is absolutely no control over the emission of such greenhouse gases as carbon dioxide, methyl and nitrous oxide. This is the reason for my proposing this motion today.

President, figures speak for themselves. The total emission volume of carbon dioxide in Hong Kong over the past 10 years has been increasing, instead of decreasing. It increased by as much as 10%, from 35 400 Gg CO₂-eq in 1995 to 38 100 Gg CO₂-eq in 2005. Therefore, the SAR Government must catch up with other places and formulate effective measures to reduce the emission of greenhouse gases without any further delay.

The United Nations has already urged governments all over the world to implement measures as soon as possible to minimize the impacts of climate change on their respective regions and citizens. The governments of different places all take this advice very seriously, and the problem is being tackled personally by government leaders in many cases. In the case of China, a working group within the Central Government under the leadership of Premier WEN Jiabao has been set up to formulate measures to tackle the problem. In Hong Kong, however, there is — with due respect — just an inter-departmental working group under the leadership of the Environment Bureau to formulate measures on responding to climate change. The DAB urges that in order to show the SAR Government's determination, the Chief Executive must step boldly forward, declaring that the formulation of measures in response to climate change is at the top of the SAR Government's policy agenda. He must personally lead a working group comprising representatives from the Environmental Protection Department (EPD), the Hong Kong Observatory and the Trade and Industry Department. A serious and comprehensive review of how government departments and private enterprises are trying to reduce the emission of greenhouse gases must be conducted, and concrete solutions must be proposed.

To mobilize the support of the entire community for emissions reduction, a clear-cut target must be set. The timeframe must also be very clear and easily

understood. Therefore, apart from a reorganization of the leadership framework, the SAR Government must also formulate a clear-cut target and timeframe for emissions reduction. It is mentioned in the Chief Executive's policy address that Hong Kong will seek to achieve a reduction in energy intensity of at least 25% by 2030, with 2005 as the base year. Hearing this, one may think that the authorities are very determined. But energy intensity is nothing but just a measure of the energy consumed per unit GDP. It is just a measure of energy efficiency, not any direct measure of emissions reduction. The relevant computations do not take account of the methods of energy generation and energy cleanliness, so even if the pledge is fully honoured, the Government may still find it very difficult to estimate the reduction of greenhouse gas emissions. The DAB maintains that the SAR Government should stipulate clearly the rate of emissions reduction to be achieved by a specified date, *a la* the Kyoto Protocol and the air improvement targets agreed with Guangdong Province. We propose that the authorities may, for example, consider a reduction in greenhouse gas emissions of 60% by 2050, with 1990 as the base year.

Regarding concrete emissions reduction measures, we must make sure that they are directed at the right targets. In Hong Kong, the largest single source of greenhouse gases is fire-powered electricity generation. More than 60% of our greenhouse gas emissions come from the two power companies. Therefore, the most direct means of control should be the regulation of the emission volumes of the two power companies. The DAB hopes that the Government can include greenhouse gases in the SCAs. The Government has disclosed that other environmental requirements will be included in the SCAs, but it has not clarified whether greenhouse gases will also be included. We therefore request the inclusion of greenhouse gases in the SCAs, so that the two power companies can be urged to increase the proportion of natural gases and renewable energy in their energy mixes for power generation, thus reducing their dependence on fossil fuels which will produce huge volumes of greenhouse gases.

At the community level, we must educate the public on energy conservation and seek to raise energy efficiency. The Government is now working on the enactment of legislation to introduce a mandatory energy efficiency labelling scheme. The DAB hopes that the Government can work on this basis and include more types of electrical appliances in the scheme. It should even include motor vehicles in the next phase of the regulatory scheme. In order to speed up the penetration of energy-efficient products, the SAR

Government should seek to promote the establishment of used product recovery systems in private organizations. Consumers should be offered financial incentives, and they should also be given assistance in smoothly replacing used products with energy-efficient products. In some European places, products are now required to meet some minimum energy efficiency standards before they can be manufactured and sold. The DAB maintains that the SAR Government should follow suit.

The Hong Kong Energy Efficiency Registration Scheme for Buildings has been implemented for nearly 10 years. But so far, only 774 buildings have been issued a Certificate of Registration. Responses are therefore not as satisfactory as desired. For this reason, besides enacting legislation on mandatory compliance with the Building Energy Codes and requiring all buildings to pass approved energy efficiency assessments, the Government must also hold negotiations with public transport operators on amending the relevant energy conservation codes and franchise conditions, so as to ensure that they will upgrade their energy efficiency. We also urge the SAR Government to specify a fixed proportion of renewable energy in the energy mixes of buildings and transport operators.

Besides emissions reduction, absorption and storage are another way of reducing carbon dioxide concentration in the atmosphere. Underground storage and even absorption by marine micro-organisms are now the research focuses of scientists. However, greening remains the more effective means. Large-scale vegetation planting has been undertaken by the Government in the rural areas, but urban greening is still inadequate in terms of coverage and creativity. The Government claims that there is a shortage of ground space. But as early as several years ago, I already advocated that we should learn from the experience of the Mainland and foreign countries and promote green rooftops and vertical greening, so as to make the best use of available space. The external walls of government buildings, flyovers and the rooftops of large buildings, for example, are all suitable for the development of three-dimensional greening. More importantly, according to many studies, green rooftops can at the same time achieve a cooling effect, thus lowering the usage of air-conditioning in buildings. The DAB therefore urges the Government to adopt all these ideas in the formulation of Greening Master Plans. Specifically, at the initial stage of formulation, District Councils (DCs) should be invited to take part in the relevant discussions. And, additional resources should also be allocated to DCs for funding district-based greening activities.

While paying attention to carbon dioxide, we must not ignore other greenhouse gases. One example is nitrous oxide, which comes mainly from vehicle emissions. It is the third major greenhouse gas. Since it will remain in the atmosphere for prolonged periods, its greenhouse effect is almost 300 times that of carbon dioxide. I know that the Hong Kong Polytechnic University has invented a type of pavement bricks that can effectively break down this greenhouse gas. Government departments, especially the Highways Department, should take an active lead in the adoption of this type of pavement bricks.

President, had the SAR Government made an earlier start to reduce greenhouse gas emissions, had it made any active efforts to reduce greenhouse gas emissions, we would be able to proudly introduce our achievements to the participants from other countries at the international conference in Bali next week. Had all this been the case, Premier WEN Jiabao would not have found it necessary to remind the SAR Government to make such efforts.

With these remarks, President, I beg to move.

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

"That, as climate change has become an important issue in sustainable development worldwide, the United Nations will convene a summit on climate change in Bali in December this year, and many countries and places are working together to formulate effective measures to reduce greenhouse gas emissions; in this connection, this Council urges the Government to lead Hong Kong in shouldering its due responsibilities as an international city and take proactive actions to respond to the crisis of climate warming, which include:

- (a) setting up an inter-departmental working group on climate change under the leadership of the Chief Executive to demonstrate the Government's determination to respond to climate change, as well as to more effectively co-ordinate the efforts of various departments in formulating emissions reduction and adaptation policies;
- (b) stipulating concrete targets in the reduction of total greenhouse gas emissions;

- (c) including the limits on the amount of greenhouse gas emissions in the terms of the new Scheme of Control Agreement with the two power companies;
- (d) proactively promoting territory-wide greening work, collaborating with District Councils and the private sector in expediting the development of Greening Master Plans, and actively adopting the concepts of vertical greening, rooftop greening and so on to facilitate three-dimensional development of greened areas and make available additional space for greening;
- (e) legislating for mandatory implementation of the Building Energy Codes;
- (f) expediting full implementation of the Mandatory Energy Efficiency Labelling Scheme; and
- (g) optimizing the use of greenhouse gas emitted from landfill sites."

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

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

I will call upon Ms Miriam LAU to speak first, to be followed by Ms Audrey EU, Mr Jeffrey LAM and Mr SIN Chung-kai; but no amendments are to be moved at this stage.

MS MIRIAM LAU (in Cantonese): Madam President, the four seasons of spring, summer, autumn and winter primarily come and go according to the nature's order. However, climate abnormalities have frequently occurred in Hong Kong in recent years. Days of continuous spring drizzles and rustling autumn wind are fewer and fewer, while the hot summer days span a longer and

longer time with the heat getting more and more intense. How many cold winter days are there in a year now? I think these days are already scarce. According to the projection of the Hong Kong Observatory, there may not be winter anymore at the end of this century, because during the winter in eight out of 10 years, we are not going to have one single day of cold weather.

Due to the greenhouse effects on the earth, global warming is already an indisputable fact. Human activities are a major cause of climate warming, but the majority of the people still hold the mentality that global warming has nothing to do with them. As a matter of fact, global warming has already affected each and every corner of the world. The coastal areas are threatened by rising sea levels, while the continental areas are affected by continuous droughts and poor harvest. We may not really feel the agonies in these situations, and we may even think that the scenes in the movie, "The Day After Tomorrow", are just exaggerated and false creations of film producers. But as I said earlier, we are now facing hotter and hotter weather, and this is an indisputable fact. In our next generation, or even the next generation after next, will the weather on earth remain suitable for human beings to live comfortably? No one dares to give a definite answer. So, global warming is closely related to each and every person, and each one of us has the responsibility and obligation to reduce greenhouse gas emission.

Although Hong Kong takes up only a very small space on earth and emits comparatively less greenhouse gas, Hong Kong cannot be spared the problem; nor can it remain aloft to this. It is imperative for the Government to arouse concern in the community about the greenhouse effect on earth and work for a reduction of greenhouse gas emission, in order to contribute a share to alleviating global warming.

I think the reduction of greenhouse gas emission should start with each individual member of the community. I believe if everyone is willing to take one small step, the many small steps taken altogether will bring about significant changes. I personally very much support the "3Rs", which mean Reduce, Reuse and Recycle. I think as long as we can observe this green way of living, the consumption of energy and natural resources can be reduced, and the greenhouse effects and gases can also be reduced in the course of production. Indeed, it is not difficult to live this green lifestyle. In concrete terms, we can start with clothing, food, household practices and transport.

In respect of clothing, we can give away our old clothes to people in need. In summer, we can wear light summer clothes and in winter, we can put on more clothes to keep ourselves warm, so as to minimize the use of air conditioner and heater. If the use of air conditioner and heater is necessary, we should turn it on at the right temperature, in order to reduce the consumption of energy.

In respect of food, we must not waste any food, in order to avoid wastage of energy and natural resources, and this can also avoid excessive livestock production and rice cultivation which will result in the emission of methane which is a type of greenhouse gas. We also have to choose suitable cookware to avoid wastage of energy.

In respect of household practices, we have to economize on electricity by replacing ordinary light bulbs with compact fluorescent light bulbs and turning off lights, computers and electrical appliances when they are not in use. These should be done also in the rooms of the Legislative Council Building. If the rooms are not in use, I call on colleagues to turn off the lights, especially the lights in the lavatories. When I go into the lavatories, I often find that the previous user has not turned off the lights. I hope that colleagues can pay attention to this. Moreover, we should also choose electrical appliances with energy labels.

In respect of transport, we can travel by public transport as far as possible. Even if it is necessary to drive, we should choose environmentally-friendly vehicles by all means. Switching off the engine when the vehicle is idling and proper maintenance of the vehicle can reduce the consumption of energy and emission of greenhouse gases.

There are many simple ways to achieve energy conservation in our daily lives. While we can find out about these small tips on the Internet, the information is relatively fragmented and disorganized. The Government can consider providing a dedicated webpage on ways to economize on energy consumption for members of the public to follow, in order to reduce greenhouse gas emission. Meanwhile, the Government should target actions at students in schools and compile teaching kits for them, so that the youth can understand the importance of reducing greenhouse gas emission at a young age and develop habits of a green lifestyle in the small aspects of their daily lives.

There is actually plenty of room to substantially reduce power consumption in Hong Kong because the birth rate has dropped considerably since 1997. Over the past decade, the growth in population was only 5.89% from 1997 to 2006 but the consumption of electricity substantially increased by 18.15%, and we can see that the two figures do not tally. An environmental group organized a "Power Smart Contest" this summer and announced the results some time ago. Over 400 housing estates, 500 families and 80 schools had taken part in the Contest which compared the participants' electricity consumption in June and July last year and that in the same two months this year. A total of 4 million kWh electricity was saved, an amount equivalent to \$4 million of electricity bill. We hold that if the Government can take the lead and offer incentives to encourage the 2 million-odd households in Hong Kong as well as property management companies and shops to participate in energy conservation campaigns, the results to be achieved will definitely be far greater and more significant.

Madam President, while China, being defined as a developing country, is not required to achieve the targets of greenhouse gas emission in accordance with the Kyoto Protocol, our country has long been aware of the impacts brought by a huge population base, a coal-based energy structure and rapid industrialization and urbanization. Therefore, our country has proposed in the "11th Five-Year Plan" the target of achieving in 2010 20% savings in energy consumption over 2005.

To address the problem of climate warming, Hong Kong cannot fight on its own. It is necessary to make top-down efforts to reduce greenhouse gas emission in accordance with the state policy and with the objective of meeting the targets set by the Central Authorities.

The country will shortly start the formulation of the "12th Five-Year Plan". Hong Kong should strive for its incorporation into the Plan and the opportunity to play a part in the state's strategy to reduce greenhouse gas emission. Given that Hong Kong and Guangdong Province are closely related, Hong Kong and Guangdong should join forces to conduct studies of energy conservation, development of new energy resources, tree planting and afforestation, and so on, with a view to reducing greenhouse gas emission.

Specifically, in respect of energy conservation and tree planting and afforestation, Hong Kong can also play a part in these endeavours. But given

the very limited land resources in Hong Kong, the development of renewable energy is extremely difficult and the result may not necessarily be very significant. That said, the SAR Government can study with Guangdong Province and the relevant mainland authorities the feasibility of involvement by local power plants and corporations in the development of renewable energy and the relevant services in the Mainland under the CEPA framework.

Madam President, I wish to share with Members the following lyrics: "One day when there is no more winter snow, no home for the polar bears and even the Eskimos have to queue up to buy air conditioners". Global warming has become increasingly serious. It is imperative for Hong Kong to address the problem on all fronts. We must translate our words into actions and do our part. Otherwise, when winter does not come anymore, the polar bears might really become homeless and even the Eskimos would have to queue up to buy air conditioners.

Madam President, I so submit.

MS AUDREY EU (in Cantonese): President, this original motion proposed by CHOY So-yuk's is most timely. The reason is that as it is said in the original motion, the United Nations will convene a summit on climate change in Bali, Indonesia, in December this year to discuss how the international community should tackle global warming after the expiry of the Kyoto Protocol in 2010.

Speaking of the ways to tackle global warming, dedicated departments have been set up by the governments in many places to co-ordinate the relevant work. For instance, there is the Climate Impacts Programme in Britain, and the Australian Centre for Climate Change Adaptation in Australia. But as CHOY So-yuk said to the Secretary in her speech earlier, "with due respect", in Hong Kong there is only the Cross-boundary and International Division under the EPD handling this area of work on top of its own responsibilities, which obviously lacks the authority to co-ordinate and formulate emission reduction and adaptation strategies and policies. The Civic Party has submitted a written representation to the Chief Executive some time ago, proposing that the Chief Secretary for Administration should co-ordinate the establishment of a dedicated department or working group to handle this area of work. But Miss CHOY So-yuk's original motion calls for the setting up of an inter-departmental working

group on climate change under the leadership of the Chief Executive. The Civic Party does not oppose this, because the higher the level of the working group, the better. Regrettably, it seems that the SAR Government has not heard this view.

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

In fact, Hong Kong is not only lagging behind the Western countries. We even compare less favourably with many neighbouring places in Southeast Asia. For example, in Singapore, one of the four little dragons of Asia, a public consultation exercise was conducted and the National Climate Change Strategy, or NCCS, was formulated last year, while the Tokyo Government also published the Tokyo Climate Change Strategy in June this year. But in Hong Kong, although the Kyoto Protocol has since 2003 been extended to Hong Kong, the relevant policies and plans have remained at the stage of researches and studies, and I think the preliminary results will be available only in 2010 the earliest. Obviously, the Government has not maintained vigilance in peace time and made preparations for the rainy days.

I very much agree with a point made by Miss CHOY So-yuk in her earlier speech about the idea of "energy intensity" mentioned by the Chief Executive in the policy address, over which we are gravely concerned. As explained by CHOY So-yuk earlier, this is basically a question of energy efficiency, for it is measured against the GDP. The Chief Executive, therefore, said that our fears and concern are unwarranted because if we base our calculations on energy intensity, our greenhouse gas emission has actually dropped 13% over the past decade. But this comment is misleading indeed and will only gloss over the problem, giving people an impression of "business as usual" and telling people not to worry and that they can continuously produce greenhouse gases because we have actually been doing quite good.

However, under the Kyoto Protocol, calculation should be made on the total emission volume. If we look at the total emission in Hong Kong, in 2005 (the end of the decade as referred to by the Chief Executive in the policy address), the figure was 44.8 million tonnes, compared to 41.7 million tonnes 10 years ago in 1995. In other words, our emission has actually increased by

3 million tonnes over a decade's time, which means that the per capita greenhouse gas emission was 6.5 tonnes on average. Deputy President, this has not even included flight journeys, because each long-haul flight journey will involve six tonnes of greenhouse gases and so, the emission volume is rather astonishing.

Recently, we have taken part in the Climateers Programme organized by the WWF. The total greenhouse gas emission of a colleague in this Council is 70 tonnes, because he has travelled by air most frequently. So, I think if flight journeys are also factored in, the total greenhouse gas emissions of Hong Kong people will be very high. To reduce greenhouse gas emissions, I, therefore, propose in my amendment the inclusion of the word, "expeditiously". This is very important.

The Kyoto Protocol will expire in 2012. Many countries will meet in Bali, Indonesia, to discuss the post-Kyoto emission reduction strategy, and many countries have also published their targets. For instance, Germany has advocated a reduction of greenhouse gas emissions by at least 20% in 2020; the Governor of California of the United States said that their greenhouse gas emissions will be reduced by 25% in 2020 and the figure will be further increased to 80% in 2050; Ken LIVINGSTONE, Mayor of London, has set the emission reduction target at 60% in 2025.

Back here in Hong Kong, while the Government has joined the C40 Cities Climate Leadership Group which is concerned about climate change, no concrete plan has been mapped out on the reduction of emissions. As for the meeting to be held in Bali, the Administration has only made low-specification arrangements by sending two officials from the EPD to attend the meeting, which reflects that the Government's attitude towards climate change is far from serious indeed, and this is another reason for our grave worry.

In fact, global warming will bring many threats. As colleagues have said, it is projected that there will be no more winter and there will be many natural disasters, floods, outbreaks of dengue fever and malaria, superstorms, and so on. These will also affect Hong Kong, as well as all places in the world. They will deal an enormous blow to the economy and the disadvantaged will always be the first to bear the brunt. Therefore, it is imperative for the Government to draw up suitable strategies focusing on urban planning, infrastructure development, building regulations, climate monitoring and

warning systems, water resources management and public health control, with a view to mitigating the harmful effects of global warming. For instance, the Government can reduce the heat island effect through various improvement plans, enhanced greening efforts and river works and also encourage the public to reduce the use of air conditioners to achieve the objectives of energy conservation and emission reduction.

For this reason, the Civic Party very much agrees with the various proposals made in the original motion. It is most important that the Government works not behind closed doors in formulating policies. It must consult all sectors of the community, such as the many civil organizations, professional bodies, the business sector and the academia, and establish a partnership relationship with various sectors of the community, with a view to making concerted efforts to overcome the challenges brought by climate change. The Adaptation Policy Framework in Britain and the National Climate Change Adaptation Programme in Australia are good examples for Hong Kong to follow.

As the power plants generate 60% of the greenhouse gases in Hong Kong, the Government has the duty to encourage the use of cleaner energy by the power plants, in order to reduce the emission of carbon dioxide. In this respect, the green groups have put forward many opinions. For instance, the Green Peace has called for regulatory control over the emission of carbon dioxide by power plants, while the Conservancy Association and Mr SIN Chung-kai have called for the introduction of emissions trading as a means to reduce carbon dioxide emissions in the Pearl River Delta Region. These opinions do merit consideration by the Government.

In my amendment I particularly mentioned the development of renewable energy power systems driven by, for instance, wind energy, solar energy, and so on, with a view to reducing greenhouse gas emissions. Apart from the development of renewable energy by large-scale power plants, the recent years have actually seen a trend of small-scale renewable energy power systems developing in the international community. Environmental groups, such as the Green Peace in Britain, have advocated that the government should encourage small-scale power producers or users to develop small-scale power generation systems, with a view to expediting the development of renewable energy. Electric power transmission often results in the loss of electricity and theoretically, the longer the distance, the greater the power loss. Given that small-scale renewable energy power systems are normally nearer to the users,

the loss of electricity in the course of transmission can be reduced and hence energy efficiency will be enhanced.

In fact, Denmark and a local council in southern Britain have taken steps to encourage the development of small-scale renewable energy power systems, which has greatly reduced the emission of carbon dioxide. A local council in southern Britain has introduced a system of power generation using solar energy, fuel cells, and so on, by connecting 60 small-scale renewable energy power units, which has subsequently cut the emission of carbon dioxide by 77%. According to the projection of the British Government, in 2050, 40% of electricity in Britain will be generated by small-scale power systems and at present, some renewable energy power plants in Britain are also willing to buy electric power from small-scale renewable energy power units.

We can also find these examples in Hong Kong. The Yao Ling Sun Secondary School in Tsuen Wan has examples of successfully achieving energy conservation through the application of wind energy and solar energy, and the school received the Hong Kong Energy Efficiency Award from the Electrical and Mechanical Services Department in 2005. Therefore, I hope that the Government can conduct more studies in this respect to explore the feasibility of using small-scale power systems to provide support to electricity supply. However, without sufficient financial incentives or technical support, it will be difficult for members of the general public to develop renewable energy power systems, not to mention grid connection with conventional thermal power systems to make up for each other's inadequacies. In this connection, the Civic Party published a submission on the electricity market in March last year, proposing that grid access by renewable energy power units should be mandatory provided that certain technical and safety standards are met and that their grid access fee should be waived. The Government can draw up measures in this respect, thereby acting as a lever to take forward the development of renewable energy.

I, therefore, hope that colleagues will support our amendment, and I also hope that the Government can give us a response early.

MR JEFFREY LAM (in Cantonese): Deputy President, under the influence of greenhouse gases, the entire world is warming up, as though it had a temperature. The climate has become erratic and the global warming problem

is deteriorating, and this problem knows no boundary. The physicist and astronomer, Mr Stephen William HAWKING, has also warned us that global warming is a greater threat to the planet than terrorism.

The National Aeronautics and Space Administration of the United States even predicted that if the global temperature rose by 3°C, the melt rates of the glaciers of the two poles would accelerate and the sea level would rise by 6 m. In that event, the northwest coast of Hong Kong, Hung Hom, Tsim Sha Tsui and the whole Kowloon West may become submerged. The scenes of city flooding triggered by global warming in the films "The Day After Tomorrow" and "An Inconvenient Truth" would no longer just be the plots of a film, but a reality.

Deputy President, the Liberal Party has all along supported efforts in environmental protection. As a representative of the business sector, I also believe that in order to maintain Hong Kong's competitiveness, fresh air, energy conservation and greening of the environment are indispensable. In order to realize these goals, it is necessary to carry out careful planning beforehand. The amendment proposed by me today is relevant to this point.

The Chief Executive, Mr Donald TSANG, emphasized in the section "Quality City and Quality Life" in the policy address published last month that the public would be consulted on the proposal to legislate for the mandatory implementation of the Building Energy Codes (the Codes), so it can be seen that the Chief Executive attaches great importance to the problem of global warming.

Published by the Electrical and Mechanical Services Department (EMSD) in 1998, the Codes mainly deal with power conservation in respect of lighting, air conditioning, electrical installations, lifts and escalators in buildings. At present, participation is voluntary. In the decade after its implementation, as at July this year, the EMSD has issued only 1 906 certificates to 765 buildings, accounting for just 4% of more than 40 000 buildings in Hong Kong. One can also see that government buildings make up the bulk of such buildings, so I consider the response to be far from satisfactory.

The reason for the lukewarm response is the difficulty in fully meeting the requirements of the Codes. There are no definite standards for compliance and, according to government estimates, for new buildings to comply fully with the Codes, the cost of construction will have to increase by about 3% to 5%.

If we were to legislate for the mandatory implementation of the Codes, would they be applicable only to newly completed buildings, or would they also be applicable to existing buildings? Will compliance with the Codes be required only when existing buildings undergo major renovations or will compliance be required within a specified period of time? If there are facilities in the building service installations that do not comply with energy-saving requirements, do they have to be replaced altogether? Who will bear such enormous expenses?

Deputy President, I believe that all these queries will certainly be raised by the public when the consultation paper is formally published, and an even greater number of issues will arise. Therefore, the Liberal Party absolutely agrees that before enacting legislation to mandate implementation, the Government must carry out a consultation exercise carefully, extensively and thoroughly to enhance the understanding of various sectors of the Codes and enable the public to voice their opinions. It should consider enacting legislation only when a consensus has been established.

As regards the implementation of the Energy Efficiency Labelling Scheme, the Liberal Party also supports it. Moreover, it also hopes that the SAR Government can take orderly steps to implement the Energy Efficiency Labelling Scheme step by step, so as to enable the public to understand it more easily and choose electrical appliances that are environmentally-friendly, energy-saving and money-saving.

At present, the Energy Efficiency Labelling Scheme is based on European and American standards, however, the China Compulsory Certification (CCC) mark used on the Mainland is adopted for products manufactured by factories on the Mainland owned by Hong Kong companies. In view of this, I hope that the Energy Efficiency Labelling Scheme can cover the CCC mark, so as to cater to the needs of the Mainland market.

On the reduction of greenhouse gas emissions, the Government and the two power companies are having negotiations on the new Scheme of Control Agreements (SCAs). Should terms on the limits on the amount of greenhouse gas emissions be included in the new SCAs? I wish to point out that the reduction of greenhouse gas emissions and reduction of air pollutants are two different concepts. Even if we switch to cleaner energy sources such as natural

gas in electricity generation, since this is still thermal power generation, greenhouse gases such as water vapour and carbon dioxide will still be generated. The only way is to reduce the burning of fossil fuels and switch to environmentally-friendly energy sources such as wind power, hydraulic power or solar power. Only in this way can greenhouse gas emissions be significantly reduced. The two power companies are also carrying out studies in this area. Meanwhile, I also support the government proposal to reduce the energy intensity, that is, the electricity units required to produce the GDP, by 25% by 2030, using the power consumption in 2005 as the basis, so that every unit will be well utilized and will not be wasted.

(THE PRESIDENT resumed chair)

In addition, greening and afforestation can also absorb carbon dioxide. For this reason, the Liberal Party also fully supports the SAR Government in speeding up, stepping up and expanding the scheme to include all streets in greening Hong Kong. We also think that all stakeholders in society, not just the District Councils and the private sector, but all public and private buildings in Hong Kong, property management companies, education institutions at various levels, voluntary organizations, and so on, should join hands in greening the entire territory.

On using landfill gas to produce energy, at present, the EPD is working with Towngas on the recovery of such gas, however, due to safety and environmental concerns, 53% of the gas would still be flared. The Liberal Party believes that the technology for recovering gas emitted from landfill sites is now quite mature, so the authorities should continue to carry out studies actively and further co-operate with the power companies and Towngas to effectively utilize landfill gas.

Finally, I wish to point out that, just as Ms Miriam LAU stated in her amendment, from a macro perspective, the reduction of greenhouse gas emissions is a global issue that calls for cross-boundary co-operation in the quest for a counter strategy and we can by no means fight this as a lone battle. We must step up co-operation with the Mainland, in particular, with the Guangdong authorities.

Therefore, the Liberal Party suggests that the Government follow the practice of some Western European countries by establishing trust funds to offer interest-free loans, so that incentives are offered to manufacturers operating factories in the Pearl River Delta Region to encourage them to replace their production machinery and power tools with more environmentally-friendly and energy-saving ones. Through discussions with the corresponding units of the Central Government, through tax concessions, it will also be possible to encourage more Hong Kong companies to make use of electricity supplied by the power grid and generated with renewable energy sources on the Mainland. I wish to point out that the business sector is very willing to help alleviate global warming by improving energy efficiency. However, if government encouragement and complementary measures are lacking, it will be very difficult to achieve the best results in reducing total greenhouse gas emissions by solely relying on the business sector and the general public.

In addition, Madam President, regarding the other three amendments, the Liberal Party also supports them.

Madam President, I so submit.

MR SIN CHUNG-KAI (in Cantonese): Madam President, three years ago, I read a book on forecasts of oil prices. The book predicts that the oil price will reach US\$100 a barrel. Members all know that although the oil price dropped last night, it has still remained at the level of US\$94, so it has nearly reached US\$100. The day before, I bought a book written by the same author and he predicts that the oil price will rise to US\$200. This is no longer a wild dream because when China and India, which have one third of the world's population, are developing at high speed, their demand for energy is very great. However, if we make comparisons in terms of emission per capita, the emission generated by China is only one sixth that of the United States, so the level is still at a very low one. Therefore, all developed regions, including Hong Kong and our country, should make particular efforts to reduce emission, otherwise, the development of these developing countries will become impossible.

Madam President, before we discuss measures to cope with climate change, first of all, I wish to ask the Secretary to give a response as to whether

he considers the measures implemented by the present Government adequate. This is because, judging from policy addresses of the former Chief Executive or the papers tabled by the Government to the Legislative Council, the message to the public is that the Government considers Hong Kong to be already doing a good job in the fight against global warming.

For example, the Government said that our carbon dioxide emission was lower than that a decade ago and lower than those of the Singapore and the European Union. But the Government has overlooked the fact that local total greenhouse gas emissions in 2005 was 14% more than that in 1990 and disregarded the fact that compared with Singapore and the European Union, Hong Kong is one of the few developed cities that do not have any industry.

As with other Non-Annex I developing countries which have ratified the Kyoto Protocol, China, including Hong Kong, is not required to impose any greenhouse gas emission limits. However, the Democratic Party queries whether the Government should assess the existing greenhouse gas emissions of Hong Kong as "a city in a developing country".

The Hong Kong Observatory pointed out that the mean annual temperature in Hong Kong would most likely rise to 26°C at the end of this century, that is, Hong Kong would face the prospect of having no more winters. I wish to point out that if, in their mindset, government officials still do not recognize the fact that we are facing a serious challenge, the public cannot possibly expect the Government to lead Hong Kong in the fight against global warming.

Next, I will focus my discussion on the details of my amendment. The Democratic Party proposed in 2003 that the target of supplying electricity generated by renewable energy be added to the new Operating Agreements of the two power companies in 2008. Without the help of legislation and policies, the power companies, which do not have to face any market competition, will never explore the use any renewable energy of their own accord. Therefore, it is necessary for the Government to specify the targets of generating power with renewable energy in the Operating Agreement. At the same time, it is also necessary to open up the power grid to facilitate grid connection with renewable energy power systems, offer concessions to facilities that supply power generated with renewable energy and even enable the power so generated to be hooked up with the existing power grid.

Concerning the target on electricity supply, the amendment's proposal of achieving 5% of total electricity supply is a most modest demand. Among developed countries and regions, the European Union is doing a very good job in developing renewable energy and it is hoped that by 2010, 20% of the total electricity supply can be derived from such sources, whereas the target is 10% in Japan and in the United States, it is expected that the target of 10% will also be attained by 2020. The Democratic Party understands that the development of renewable energy will be comparatively difficult in Hong Kong, however, we believe that with the opening up of the market and the offer of financial incentives, more investors will engage in the development in this area.

The Legislative Council is currently scrutinizing the Energy Efficiency (Labelling of Products) Bill (the Bill). Since the Bill will only cover three types of products, namely, room air conditioners, refrigerating appliances and compact fluorescent lamps (CFLs), the Democratic Party thinks that the scope of the Energy Efficiency Labelling Scheme is too narrow. We hope that the labelling can be extended to other electrical appliances as soon as possible. We know that in Australia, an energy saving database covering a number of electrical appliances and motor vehicles was established long ago. Meanwhile, it is also planned that tungsten light bulbs will be phased out in Australia by 2012. The Democratic Party hopes that the Government can make reference to the practice in Australia and encourage the public to replace tungsten light bulbs with CFLs in the next five to 10 years, and study whether the sale of tungsten light bulbs should be completely banned in the next five to 10 years.

Concerning the view that certain hazardous substances in CFLs will affect landfill sites, the Democratic Party believes that the Government should formulate a corresponding policy and scheme for the recovery of CFLs and it should even enact legislation to require producers to recover used CFLs on their own. I know that recently, some green groups and household goods retailers have organized a voluntary recovery activity for the recovery of CFLs. The Democratic Party believes that the Environment Bureau can collaborate with such organizations as District Councils and green groups in further expanding the scale of recovery of CFLs.

The Chief Executive proposed in this year's policy address that the Government will conduct a carbon audit on the new Central Government Complex. The Democratic Party believes that this is just the first step and as the next step, the Government should further expand the carbon audit to other

new government buildings and even non-government buildings. At the same time, the Democratic Party proposes that the Government should set an example in introducing carbon emission compensation. Carbon emission compensation is not a new idea. By calculating the amount of carbon emissions from the energy used in their daily activities, for example, the air mileage each year, electricity consumption in offices, and so on, overseas corporations and governments make a corresponding amount of donations for activities conducive to the reduction of carbon emissions, such as tree planting.

As far as I know, the Kadoorie Farm and Botanic Garden in Hong Kong has adopted carbon dioxide emission compensation measures by calculating the carbon emissions from the energy used by its staff in the course of daily activities, then donate funds for the planting of trees. I hope that the Government can also set an example for private companies by taking the lead in taking part in carbon dioxide emission compensation activities.

As mentioned in the original motion and other amendments, it is necessary to collaborate closely with the Mainland in order to make the measures against global warming truly effective. At present, the Government is implementing an emission trading pilot scheme in conjunction with the Pearl River Delta Region. The Democratic Party believes that if we want to see how truly effective the scheme is, the Government should mandate the participation of the two power companies. Last year, the carbon dioxide emissions of the China Light and Power Company Limited reached the highest level in 14 years and they accounted for 45% of the emissions in Hong Kong. The Democratic Party hopes that the Government can include carbon dioxide emissions in the emission trading pilot scheme as soon as possible, so as to evaluate the feasibility of implementing full-scale emission trading in the Pearl River Delta Region in future.

On co-operation with the Mainland, I remember that the Government has signed a Clean Air Charter (the Charter) with the business community. Has the Government ever checked how many of the companies who have signed the Charter operate factories on the Mainland generate greenhouse gases? Has the Government adopted any practical measure or technology to assist Hong Kong companies on the Mainland in reducing total greenhouse gas emissions? I believe the public will welcome the joint efforts made by various sectors in the fight against global warming, however, it seems that there is difficulty in

translating knowledge into action presently. I believe the public expects the Government to introduce practical measures instead of just engaging in all sorts of talks but no action.

Madam President, there is also a proposal on launching a "dress casual in summer" campaign within government departments. On this point, I will leave it to Mr Martin LEE to make further explanations. The Democratic Party will vote for the original motion and all the amendments today, and I also hope that Members of various political parties and groupings can support my amendment. Finally, I wonder if the Secretary has watched the film "An Inconvenient Truth" directed by Al GORE, the Nobel Prize winner and former vice president of the United States. However, I like the film "The Day After Tomorrow" even more. I have watched this film a number of times and I find it most thought-provoking. Madam President, we are not having a wild dream. We all know that it is an imminent danger and it is something that this generation of ours will encounter. I believe the threat posed by global warming is very serious.

SECRETARY FOR THE ENVIRONMENT (in Cantonese): Madam President, first of all, I wish to thank Miss CHOY So-yuk for proposing the motion "Responding to the Problem of Climate Change". I also wish to thank Ms Miriam LAU, Ms Audrey EU, Mr Jeffrey LAM and Mr SIN Chung-kai for their respective amendments. I do not think I need to repeat all the movie plots mentioned by Members just now, nor do I think that it is necessary for me to describe once again all the effects of climate warming on Hong Kong and the whole world as feared by Members. I also agree that this is no longer a problem unique to any individual places or Hong Kong. Global warming has become a severe challenge faced by mankind. All countries, all cities and even all individuals on earth are directly or indirectly affected. This explains why the legislature, community organizations and even the various social sectors have all expressed such a great concern about the problem over the past few years.

Lucky enough, as a services-based city, Hong Kong has been able to maintain one advantage — there are no energy-intensive heavy industries. And, with mass transit systems constituting the backbone of its transport infrastructure, more than 90% of its daily transportation demand is met by the public transport system. As a result, the emission of greenhouse gases in Hong

Kong has remained at levels lower than those in other cities with a comparable level of economic development. This is a fact. On a per capita basis, the emission of greenhouse gases in Hong Kong in 2005 stood at 6.5 tonnes, as already mentioned by some Members just now. This is much lower than the 24 tonnes in the United States, the 11 tonnes in both Britain and Japan, and the 9 tonnes in Singapore which is comparable to Hong Kong in many ways. During the 15 years from 1990 to 2005, Hong Kong actually saw a 40% reduction in carbon intensity, which is defined as the total emissions of greenhouse gases from the consumption of energy per unit of the Gross Domestic Product (GDP). This shows clearly and objectively that while pursuing economic growth over all these years, Hong Kong has still managed to maintain an energy consumption rate more efficient than those in other developed cities, thus succeeding in keeping the growth of greenhouse gas emission and energy consumption below the rate of its economic growth. But we will not regard this as the only indicator. As I mentioned when replying to Mr SIN Chung-kai's question just now, we can observe that computations based on Hong Kong's population and its per capita emission of greenhouse gases can show that there is still much room for reducing our present level of emissions, increasing our energy efficiency and making joint efforts to cope with the problems resulting from the greenhouse effect. And, the Government will not allow itself to be complacent just because one or two of its indicators are better than those in other cities.

The Hong Kong Government and the general public are convinced that as a member of the global village, Hong Kong must not evade its duty. All in Hong Kong must spare no efforts and join hands to cope with the challenges posed by global warming. As mentioned by many Members, the work of meeting all these challenges must start with all of us.

As a matter of fact, the Government has all along been adopting a whole series measures to respond to the problem of climate change, some examples being the enhancement of energy efficiency, energy conservation, promoting the use of clean fuels, encouraging the use of renewable energy, urban greening and raising public awareness of environmental protection. I must of course add that despite the launching and progress of all these measures, there is still a very long way to go before our goals can be achieved. More efforts must still be made at this stage. In order to effectively formulate and implement various measures on controlling the emission of greenhouse gases and coping with climate change, we cannot rely solely on the Environment Bureau, the Environmental Protection

Department (EPD) and even the Government. I agree with Members that the execution of this task will definitely involve other Policy Bureaux and government departments. For this reason, I very much agree with Miss CHOY So-yuk that we must step up our co-ordination of the efforts of different Policy Bureaux and government departments.

To this end, the EPD has recently established an inter-departmental working group on climate change comprising representatives from five Policy Bureaux and 16 government departments. This working group is responsible for overseeing, co-ordinating, formulating and promoting government efforts to reduce the emission of greenhouse gases and cope with climate change. The working group has recently launched a comprehensive consultancy study on the latest international reports on climate change. Through the application of scientific information and data, the working group will assess the effects of climate change on Hong Kong and make recommendations on how to further enhance the various measures on controlling the emission of greenhouse gases and coping with climate change. The establishment of the working group is just the first step towards pooling the resources of different government departments together. We will certainly keep the progress of the working group in view and consider whether it is necessary to upgrade its status.

Miss CHOY So-yuk's motion mentions the stipulation of concrete targets in the reduction of total greenhouse gas emissions. Since different countries and places do differ from one another in terms of pace and structure of economic development, geographical setting and energy consumption mix, all places must formulate their own measures and strategies in the light of their unique situations in the course of grasping the opportunities and facing up to the limitations resulting from the problem of global warming. Consequently, we can observe that the international community is still divided on how to formulate a target in the reduction of greenhouse gas emissions which is acceptable to all and applicable to all countries and places. I think the controversies surrounding the Kyoto Protocol are themselves a fine illustration. In a service-based metropolis like Hong Kong, given its present situation, the most effective means of reducing greenhouse gas emissions must be the enhancement of efficiency of energy consumption of society as a whole. This can reduce energy consumption on the one hand and increase energy efficiency on the other, thus ultimately achieving the goal of reducing greenhouse gas emissions. I am convinced that this approach must be suitable for Hong Kong.

In regard to the formulation of an internationally recognized emissions reduction target, a further step was taken in the Economic Leaders' Meeting of the Asia-Pacific Economic Co-operation (APEC) held in Sydney in September this year. Although there is still quite a long way to go before it is possible to achieve the desired objective of the Kyoto Protocol, that is, the formulation of an emissions reduction target applicable to all countries, the APEC Leaders' Meeting at least still took a step forward. Hong Kong and 20 or so APEC members also agreed to step up their co-operation in the reduction of greenhouse gas emissions. They signed and jointly issued a declaration on climate change, sustainable development and energy security. Under this declaration, energy intensity is adopted as the recognized standard. In other words, the consumption of energy per unit of GDP is adopted as the indicator of reducing greenhouse gas emissions.

To demonstrate the SAR Government's determination to tackle this problem, the Chief Executive has undertaken to include this indicator in the policy agenda set out in his policy address immediately after signing the APEC Leaders' Declaration. He has also made it very clear that in accordance with the APEC Leaders' Declaration, the energy intensity of Hong Kong shall be reduced by 25% by 2030 (with 2005 as the base year). We estimate that if this target can be fully achieved, the emission of some 2 000 tonnes of greenhouse gases can be avoided by 2030.

Climate change is a not problem that any single place or country can possibly cope with, face and tackle on its own. For this reason, we agree strongly with Ms Miriam LAU and Ms Audrey EU that Hong Kong should step up its co-operation with neighbouring places. The APEC is a fine example of such co-operation. We will continue to hold discussions on climate change with relevant international organizations and, we will also conduct exchanges with other cities and learn from their experience. We will participate in the conference on climate change to be held by the United Nations in Bali. In addition, last month, we also accepted London Mayor Ken LIVINGSTONE's invitation to join the C40 Cities-Climate Leadership Group. It is hoped that we can conduct exchanges with other C40 Cities such as London, Tokyo, New York, Beijing, Shanghai and Sydney on global warming and the reduction of greenhouse gas emissions. As a world city, Hong Kong will discharge its obligation in respect of climate change and make active efforts to reduce and alleviate the greenhouse effect. We have already reached a consensus with the Guangdong Provincial Government on reducing the emissions of air pollutants.

The emissions reduction measures to be adopted by both sides include the use of clean fuels for electricity generation, reduction of vehicle exhaust fumes, strengthening of energy conservation and upgrading of energy efficiency. Besides being able to improve air quality, these measures will also reduce the emission of greenhouse gases.

Madam President, the Government will conduct in-depth studies on the problem of climate change with a positive, active and pragmatic attitude. Following this, we will consider what measures to adopt in response. We hope that all the discussions on this problem can continue, and we are prepared to listen to the views of various sectors.

Madam President, this is my preliminary response to the motion at this stage. With the benefit of Members' remarks, I will give a consolidated reply to all their views. Madam President, I so submit. Thank you.

MS EMILY LAU (in Cantonese): President, I speak in support of Miss CHOY So-yuk's motion and the amendments proposed by other Honourable Members. Actually, we can let the Secretary see that this Council is greatly concerned and united about the problem of global warming.

President, the Australian Labour Party, which won the General Election in Australia last Saturday, is going to sign the Kyoto Protocol. I have no idea when a universal suffrage will take place in Hong Kong. I hope it can be speeded up. I believe candidates will also urge the authorities to not only sign the Kyoto Protocol, but also honour it. Just now I heard the Secretary give his response to the points raised in different areas. However, the motion is like a richly decorated Christmas tree because it contains a number of proposals. President, I would only like to focus on item (c), namely including the limits on the amount of greenhouse gas emissions in the terms of the new Scheme of Control Agreement (SCA) with the two power companies. The Secretary has failed to mention this in his speech just now.

Actually, a question was raised by me in the Council meeting held on 21 November. I originally thought that the Secretary would repeat the reply as his response. He will probably do that later. In brief, the Administration is reluctant to act, and the Secretary has already explained the reasons. I have also noticed that, President, during a meeting yesterday between six green

groups, namely Friends of the Earth, Greenpeace, Greeners Action, Green Sense, Clear the Air and WWF Hong Kong, and the Secretary for the Environment, a "carbon dioxide abandoned baby" was handed to the Secretary. Protesting against the Government for completely ignoring regulation of the greenhouse gas emissions of power plants during the formulation of the new SCA and conniving at power plants aggravating global warming, the six green groups urged the Government to peg the greenhouse gas emissions of power plants with their return, and take more vigorous measures to induce the power plants to participate in energy savings with a view to regulating the largest source of greenhouse gases in the territory.

President, according to these green groups, power plants account for an appalling 70% of emissions of carbon dioxide, a greenhouse gas, in Hong Kong. This is why they hope control can be imposed. According to the Secretary's previous response, however, he was unable to do so. Why, President? The Secretary explained that power plants produced greenhouse gases mainly because of the burning of fossil fuels, for more than half of the electricity in Hong Kong was generated by the burning of coal. He even added that sophisticated technology is not yet available in the world to reduce, collect or store greenhouse gases produced as a result of burning of fossil fuels. If these greenhouse gases are to be reduced substantially, the fuel mix for generating electricity will have to be altered. It is not only extremely complicated to do so, the stability of supply and prices of electricity will be affected as well. The Secretary indicated that the only solution was to conduct an in-depth study.

We requested the Government to include control in the new SCA because it was going to be launched shortly, and yet the Government indicated that a study had to be conducted. I think the Government is simply mixing up the issues. Are the six green groups and all Members in support of the motion today not aware of the Secretary's remarks? Although something might be quite complicated or difficult, this approach is supported by this Council.

Therefore, President, item (c), namely including the limits on the amount of greenhouse gas emissions in the terms of the new SCA with the two power companies, is vitally important. What have the six green groups requested the Administration to do? To impose a ceiling on carbon dioxide emissions by power plants. If the ceiling is exceeded, profits will be deducted. Furthermore, an energy savings target should be set too. In this respect, the Government should at least make a double-strength request in formulating the

relevant Scheme with the power companies. President, clear financial incentives or investment return should also be proposed to encourage the two power companies to participate in the energy savings scheme. Most importantly, President, a penalty should be imposed if the target is not met.

Although Members all showed a great degree of agitation in their speeches, the Secretary did not respond to this point. I believe the Secretary ultimately has to give a response because of this Council's full support. The Secretary considers the matter extremely complicated and difficult, but this Council is willing to hold more meetings to assist the Administration in studying the matter so that a consensus can be reached. Actually, we have already had a consensus of supporting this approach. Should the power plants fail to act in this manner, they must be penalized. However, what should we do and what assistance should we offer? For instance, we have no idea of the current progress of the construction of a liquefied natural gas terminal on Tai A Chau. And the issue of whether Yacheng has problems with electricity or natural gas supply is still outstanding despite a long delay and the commissioning of a consultancy. How many months have been wasted? If the answer is positive, we can purchase natural gas from the Mainland. If the answer is negative, power stations will have to be built for transmission purposes so that power plants can stop relying on coal burning to generate electricity earlier. President, Members greatly support the Administration in doing this. There are bound to be a lot of disputes on everything, including the subject of requiring motorists to switch off the idling engines of their vehicles. As for the debate today — I have no idea when someone will play the game of changing face. However, in today's discussion, all Members support the Government, including the SCA.

Hence, what the Secretary has in hand is not a feather but a supreme arrow of authority arrow, a token given to the Secretary by this Council today. I am also in full support of green groups. Therefore, we unanimously agree that this must be done. I believe the Legislative Council, green groups and the community will all be disappointed if these terms are not included in the SCA. Furthermore, the Secretary can definitely not absolve himself of the blame for failing to tackle the problem of global warming.

PROF PATRICK LAU (in Cantonese): Madam President, today's motion echoes the subject of sustainable urban development proposed by me in May. In response to the problem of climate change, effective measures, such as the one

relating to power plants mentioned by Ms LAU just now, should be expeditiously formulated. In the area of environmentally-friendly buildings, I would like to express some views on the attainment of the goal of sustainable development through reducing greenhouse gas emissions.

To start with, I am very grateful to the Secretary for attending a conference hosted by the Professional Green Building Council recently. The Secretary has also undertaken to actively follow up our proposals of reducing carbon dioxide emissions and urban greening. Furthermore, the Government will participate in the Zero Carbon Charter and encourage other sectors to participate jointly. Meanwhile, the Government should implement the principles of "zero carbon" or "low carbon" in planning new projects and new development areas with a view to reducing emissions of carbon dioxide, or greenhouse gases.

As studies from around the world all point to the fact that more than half of greenhouse gases come from buildings, the mandatory implementation of building energy labelling is the most effective means of reducing emissions. However, the existing energy efficiency indicator is indeed too low. It must be upgraded before satisfactory results can be achieved. What is more, carbon audit should be fully implemented in all government works projects, instead of merely specifying an emissions target for the new government headquarters at Tamar.

Actually, information provided by Greenpeace has revealed that other international cities have already formulated emissions reduction targets. For instance, London, the number one global financial centre, has a target of achieving emissions reduction of 60% between 1990 and 2025. New York, the number two global financial centre, has a target of achieving emissions reduction of 30% between 2005 and 2030. Even Tokyo, occupying the number ten position, has set a target of achieving emissions reduction of 25% between 2000 and 2020. On the contrary, Hong Kong, the number three global financial centre, has not set any emissions reduction target. I hope the working group mentioned by the Secretary earlier can achieve the target through its work. To achieve emissions reduction, a number of initiatives have been formulated in London. Furthermore, funds have been allocated to help the people to install energy saving equipment, and carbon audit and advisory services are provided with a view to achieving zero carbon emissions in residential areas by 2016. In

my opinion, a target of reducing emissions by 30% between 2005 and 2030 should be formulated in Hong Kong to achieve a level comparable to that of New York.

Environmentally-friendly building designs are vitally important to achieving effective emissions reduction. For instance, natural light, wind environment, solar energy, water recycling and rooftop greening are instrumental in reducing energy. Actually, increasing the cost of environmentally-friendly building designs by a mere 10% can yield a return rate of more than dozens of times in energy saving. In this respect, the new building of the Electrical and Mechanical Services Department is excellent. It has not only made use of the old buildings at the old Kai Tak Airport and reduced the construction waste generated as a result of demolition, but also effectively utilized environmentally-friendly designs and set an excellent example. Madam President, I hope the Government can carry out urban redevelopment in accordance with this standard, instead of demolishing all buildings, as even all landfills combined cannot hold all the construction waste.

Besides building designs, extending the scope of application of renewable energy is also an effective means of reducing emissions. At present, the rate of application of renewable energy is less than 1% in Hong Kong, lower than that in other international cities. I think the Government should formulate measures to encourage more families to make use of less-polluting renewable energy. I agree that the target of providing 5% of total electricity supply to local households from renewable energy sources should be met by 2020.

To really achieve zero pollution in a city, all products not in compliance with energy efficiency should be eliminated. Therefore, I agree with Mr SIN to mandate the full abolition of tungsten light bulbs in the next five to 10 years and implement the policy of mandating the use of compact fluorescent lamps.

Madam President, urban greening is vital to the sustainable development of our city in the sense that it can reduce the "heat island effect" and provide a comfortable and beautiful living environment to the community. Therefore, it is imperative for the Government to set specific greening targets, including implementing a greening plot ratio, whether by way of vertical greening or other means, so that a greening plot ratio target can be set for green coverage in our densely-populated city.

While a 40% greening plot ratio has been set by the Singaporean Government, the Chinese Government has also required that all cities meet a 30% greening plot ratio by 2010. Therefore, Hong Kong should follow suit by formulating a practicable greening target.

To effectively meet the targets of emissions reduction and greening, the Government should take the lead in setting a good example by not only implementing building energy efficiency labelling in all buildings, but also implementing on a full scale environmental assessment for buildings. Moreover, it should adopt measures to encourage the participation of the private sector, thereby upgrading the overall green performance of buildings, and respond to the problem of climate change from the angle of environmentally-friendly buildings.

Thank you, Madam President.

MRS SELINA CHOW (in Cantonese): President, in Chapter 2 of the policy agenda entitled "Quality City And Quality Life" published last month, the Chief Executive emphasized in particular that Hong Kong needs to "promote economic development and also maintain a quality city life. Environmental protection is now a global concern, especially when the problem of global warming has become increasingly serious".

The Liberal Party is greatly supportive of the Government's determination. Therefore, we have respectively proposed two amendments today in the hope of putting forth our proposals on reduction of greenhouse gas emissions and measures to alleviate the problem of global warming.

President, there is actually an equal sign between greenhouse gas emissions and thermal power, rapid industrialization and huge consumption of electricity, and the resultant air pollution are making a joint impact on our quality of life. This is no scaremongering. The Hong Kong Observatory has predicted that, by the end of this century, Hong Kong will see its temperatures surged by an average of 3.5°C compared with the end of the previous century. What will be the consequences? According to the prediction of the National Aeronautics and Space Administration of the United States, glaciers will melt should the globe continue to suffer from high fever. The coastlines in northwest Hong Kong will probably be submerged and by then, Tung Chung, Tuen Mun and Yuen Long will probably be affected.

At present, New Territories West is badly hit by air pollution. In particular, when the northerlies come with seasonal change, the air pollution index of Tung Chung will often be higher than that recorded in urban areas, such as Causeway Bay and Mong Kok. When more than 100 000 residents moved from urban areas to Tung Chung, they were very hopeful that they could enjoy an environment with fresh, clean air, far away from the bustle and hustle of city life. But then they found that the sky was filled with pollutants from across the boundary. Now, New Territories West again bears the brunt of the climate warming problem caused by greenhouse gases.

President, we agree that the SAR should expeditiously study the problems of regulation and reduction of greenhouse gas emissions. In June this year, the Administration undertook to the Panel on Environmental Affairs of the Legislative Council that an inter-departmental working group on climate change under the leadership of the Environment Bureau would be set up to spearhead consultancy research and assist in the co-ordination of joint efforts made by various departments in response to climate change. The Liberal Party considers that the issue of whether the working group should be led by the Chief Executive is not the crux of the problem. Most importantly, the thresholds between various departments should be removed to ensure real co-operation.

We are very pleased that the Government's action was very swift. The inter-departmental working group, already set up in October, comprises officials drawn from five Policy Bureaux and 16 government departments. Actually, the governments of various countries across the world have also set up similar designated organs to address this problem. Apart from having high hopes for the working group, the Liberal Party also hopes that it can come up with feasible proposals expeditiously.

Furthermore, as proposed in Ms Miriam LAU's amendment today, the climate warming problem must be tackled by a multi-pronged approach, both internally and externally. Internally, we think that Hong Kong should enhance public education and encourage the community to economize on energy. At the same time, an intensive tree-planting programme should be launched to foster a green environment to reduce the harm caused by greenhouse gases, as trees can absorb carbon dioxide in a natural manner. Both Tung Chung and Tuen Mun, given their extensive mountainous terrain, are perfect spots for tree planting. The Government should make more effort in planning.

Externally, the Liberal Party greatly supports the SAR Government assigning officials to attend, as members of the Chinese delegation, the 13th United Nations summit on climate change to be convened in Bali shortly to study and discuss how joint global efforts can be made to meet the target of greenhouse gas emissions reduction upon the expiry of the Kyoto Protocol in a few years' time.

Furthermore, I would also to say a few words on the support rendered by the Liberal Party to the amendment proposed by Mr SIN Chung-kai today to include carbon dioxide emission project in the emission trading pilot scheme in the Pearl River Delta Region. This is because we think that the residents of Hong Kong and Guangdong Province are literally living under the same sky. If the quality of air is poor and the level of greenhouse gas emissions is high in Guangdong Province, it will be simply impossible for the quality of air in New Territories West to be improved. Therefore, we may probably work together, after the reduction of air pollutants, to achieve our joint target by extending emission trading to cover trading of carbon dioxide as well. In doing so, we can naturally succeed in working together in reducing greenhouse gas emissions.

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

DR KWOK KA-KI (in Cantonese): Madam President, not only does global warming affect our environment, it also has great implications on our health.

According to the projection of the Hong Kong Observatory, in the next century, that is, about 40 years later, the temperature of Hong Kong will rise by 3.5°C, meaning that by the end of the century, the rising temperature will trigger off many infectious diseases, including dengue fever, malaria, and so on. In fact, I believe the emission of greenhouse gases, carbon dioxide, and so on will be accompanied by many air pollution-induced diseases that will affect the general health of the people.

Recently, several events have taken place in the world. First, after the election, there was a change of the Australian Government, with which we are very familiar. As Members may be aware, one of the reasons for the electoral victory of the Australian Labour Party leader Kevin RUDD is the undertaking he

had made to the effect that Australia would take part in formulating standards that are in line with those of the Kyoto Protocol. This undertaking had a tremendous effect on his election campaign. Many Australian citizens had cast a vote of confidence on him in support of his dedication to reducing greenhouse gas emissions.

In the 17th National Congress of the Communist Party of China, our President and Premier made Scientific Concept of Development a major guiding principle for the future development of the nation. The second point was even more important: Premier WEN Jiabao shall be personally in charge of a Subcommittee on Government's Responses to Climate Changes, which has already formulated a "Renewable Energies Law". It is hoped that by 2010, the amount of renewable energy in use can be increased to 16% of the overall national energy consumption and in addition, it is hoped that a target of reducing energy consumption by 20% on the basis of the Gross National Product. That is indeed fairly encouraging.

In September, during the same period of time, Asia-Pacific Economic Co-operation (APEC) leaders made a joint communiqué on combating global warming, an event that saw the participation of our Chief Executive, Mr Donald TSANG, in his capacity as a representative of Hong Kong. But in the speech he made, he remarked that the greatest achievement Hong Kong had attained in this respect was the planting of 11 million trees over the preceding five years. If that was all his achievement, I would feel a bit ashamed of it on hearing that.

Besides, as we all know, environmental protection initiatives represent a major area of work of the SAR Government. Since the implementation of the accountability system, the Secretary was the first Secretary ever entrusted with the responsibility of environment protection, of whom we do have great expectations. Recently, the Secretary has shown commitment in undertaking to review the issues of pollutant emissions and franchises of the two power companies, which we should express our appreciation. The Secretary indicated that legislative measures might have to be taken to ensure compliance with government standards in such areas as greenhouse gases and renewable energy resources by the two power companies under their respective SCAs. However, after these remarks were made, no further follow-up actions can be heard recently. What makes us worry more is that, given Hong Kong's status as Asia's World City, what are the undertakings we would actually honour?

During the past decade, the average electricity consumption per capita in Hong Kong has registered a year-on-year increase of 1.3%. The volume of greenhouse gas emissions in 2006 increased by 14% as compared to that of 1990. According to the Kyoto Protocol, developed countries are required to reduce their gas emissions by 5% by 1990. Since our country has been listed as a developing country, so tentatively it does not need to comply with the requirements as stipulated in the Kyoto Protocol now. However, Hong Kong is an advanced city, and we should adopt a standard and bear a commitment the degree of which should be no less substantial than other major cities of the world.

Let us take a look at the examples set by other metropolises of the world. For example, London has set a target of reducing their greenhouse gas emissions by 60% by 2025, or 18 years later, below their 1990 level; New York is no exception, which will reduce their greenhouse gas emissions by 30% by 2030. Our neighbour Tokyo has also pledged to reduce their greenhouse gas emissions by 6% in three years, that is, by 2010. These are all major cities in the world. If Hong Kong aspires to becoming a leading city of the world, we must do more than merely setting our standards on a par with other regions or our Motherland. Instead, we have to do even better.

Therefore, with regard to today's motion which demands the Government to set a target in the reduction of greenhouse gas emissions, I believe this is essential. In fact, the reduction of greenhouse gas emissions and energy consumption are in line with common public interests. Unfortunately, many Government initiatives appear to us to be no more than window-dressing or piecemeal patch-up work. Take the Energy Efficiency Labelling Scheme as an example, only three types of electrical appliances have been included in the Scheme so far. When compared to other places, we have done very little, as many colleagues have said a lot earlier on.

Second, we have not done enough with regard to buildings and town planning. I believe Members may have noticed that Barcelona has just built a new government building of a very special architectural design. Many of the windows are left open and the idea is to reduce the demand for energy through making use of natural ventilation. Unfortunately, I believe the new Government Headquarters we are going to build would be a completely enclosed structure that depends heavily on air-conditioning, which will set a very bad

precedent indeed. I believe the Government should have an even greater determination than it does now. We all know that, under the accountability system, in a few years' time, the Secretary will have to be accountable to us as well, and the volume of greenhouse gas emissions in Hong Kong will be an indicator measuring such performance. Thank you.

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

MR MARTIN LEE (in Cantonese): Madam President, the major problem under discussion today is the issue of global warming. However, today I wish to particularly discuss a minor issue, that is, the issue of indoor air-conditioning temperature. Because from a minor issue, we can see the Government's sincerity and commitment in dealing with a major issue.

Madam President, whenever we come to summer, as I enter this Chamber, I would, very much similar to you, be very concerned about whether the air-conditioning system here has already been adjusted to 25.5°C. I still recall that I had proposed to the Chief Executive that, I hope in summer this year, he could write to all the foreign consulates in Hong Kong as well as all the foreign chambers of commerce to notify them that the Chief Executive and all government officials would dress light when they attend any official meetings and banquets in summer; in addition, I hope he would also request them to explain the situation to visiting guests and encourage them to support the call for dressing light. For example, when they hold receptions, they may specify the dress code as "summer casual", instead of "business attire". Besides, since some of the clubs and hotel restaurants, such as the Hong Kong Club and the Club House of the Hong Kong Jockey Club, would require gentlemen to wear jackets and ties, so the Government should take the initiative to contact the persons in charge of such venues and call on them to waive the dress code restrictions in summer, and have the air-conditioning temperature adjusted upward to 25.5°C. In doing so, it will also bring about the extra benefit of reducing the electricity consumption in using air-conditioning.

In fact, all the Government has to do is to take an extra step forward, and it will be able to eliminate the so-called "trouble" faced by people who dress in summer casual wear. And the Chief Executive and all the officials should lead by example and dress casual, instead of wearing suits and ties, thus promoting the "dress casual in summer" campaign within government departments.

I know the Community Chest holds the "Dress Casual Day" once a year. Most government officials, especially all the senior officials would support it by dressing in casual wear when going to work on that day; they would dress in casual wear even if they have to attend meetings in the Legislative Council. However, in my opinion, every day in summer should be the "Dress Casual Day" in all government departments, so as to let the people know that even the Chief Executive who loves to wear bow-ties would give up his beloved bow-ties in summer and instead dress casual.

In fact, I believe everyone would like to do something for improving the global warming situation and saving energy. However, many people know the rationale but find it hard to put it into practice. This is what our government officials are doing: They frequently point out that they have been doing their best to reduce greenhouse gas emissions in Hong Kong, but they are unwilling even to lead by example and dress casually to work. In acting this way, how can they convince others that the Government would really do what it says? On the contrary, it would just make the people feel that the officials are powerful only when they are preaching on a theoretical level, but they would become absolutely powerless once they are asked to put their words into action.

Actually, Madam President, the Democratic Party already implemented the "dress casual in summer charter" last year to encourage the Party's Members in different Councils as well as all its members to dress casual in summer, instead of wearing suits and ties, so as to cope with the requirement of keeping air-conditioning temperatures in offices at not higher than 25.5°C. I would like to urge the Government to actively promote the practice of dressing casual in summer and draw up new dress code guidelines for civil servants by specifying that it would not be necessary for them to wear suits and ties going to work in summer. Besides, it would also be necessary to strictly enforce the regulation of keeping air-conditioning temperatures in offices at not higher than 25.5°C. In this way, everyone will have to dress casual to work in order to avoid getting too hot or stuffy. In fact, the promotion leaflets published by the Government also mention that, if the air-conditioning temperature is adjusted from 22.5°C to 25.5°C, the electricity consumption in this regard can be saved by about 10% in a year.

I know that a new administrative decree had already been issued in the Mainland in the middle of this year to stipulate that indoor temperatures of all public buildings must be kept at 26°C or above in summer, whereas they must not be higher than 20°C in winter. In Japan, the Government has already

stipulated since 2005 that with the exception of meetings with foreign guests, all Japanese government officials would only dress casual to work. They also stipulate that indoor temperatures of all government buildings in summer must be kept at 28°C or above.

Madam President, I find that the operators of many public buses or large shopping arcades always argue that if their indoor temperatures are too high, they would be complained by passengers and customers. Therefore, they would rather adjust their air-conditioning temperatures to 20°C, thus making many buses and shopping arcades become virtually "refrigerators". The emergence of such a phenomenon is attributable to the lukewarm attitude of the Government in promoting the indoor temperature of 25.5°C and the "dress casual in summer" campaign. The Government has not taken the lead, so the practice of dressing casual to work has not really become the prevailing trend in society. For those who still have to wear suits and ties to work, they would naturally complain that it would be too hot for the temperatures to be set at 25.5°C in public transports and venues. As a result, the operators are forced to make concessions. Consequently, for those who should be able to dress casual to work are forced to put on more clothes because public transports and venues are too cold. Therefore, they have no alternative but to wear suits and ties again, thereby making the room temperature of 25.5°C and the "dress casual in summer" campaign unable to be implemented successfully.

Madam President, although summer is already over, I would once again invite government officials, in particular the Chief Executive and Secretary for the Environment Edward YAU, to join us next summer in implementing the "dress casual in summer" campaign. As a common saying goes, "If the Government and the people can unite together in doing something, nothing is impossible." I believe as long as the Government is willing to take this tiny step, there will be more organizations willing to follow, and then the people will have greater confidence in believing that our Government will really implement more measures to ameliorate the major problem of global warming. With these remarks, I support the original motion and all the amendments.

MR WONG YUNG-KAN (in Cantonese): Madam President, the global climate is warming, and we do not need much evidence to prove it. A simple comparison of our personal experience of the weather during the past few decades with our historical observations will show that this is an indisputable fact.

When we leaf through the historical photographs depicting the May Fourth Movement that took place in 1919, we may, to a certain extent, have a rough impression of the attire of the people of that time. They were wearing quilted jackets and scarfs, which testified that the May of Beijing 90 years ago was indeed very cold. Though I was not born in that era, I have visited Beijing in May on several occasions, either on business trips or for sightseeing, and from what I have seen, people in the streets or the squares are, without exception, wearing summer clothing. As regards Hong Kong, I remember that when I was young, when we attended events celebrating the National Day on 1 October, autumn would have long crept in, and everybody would be wearing their autumn clothing. But on the National Day of this year, people were only wearing summer clothing as they attended celebration activities. At Christmas time in the past, trendy ladies and gentlemen used to put on thick fur and leather jackets to enjoy the festive mood, but they do not harbour this thought anymore, because people feel hot in such attire and it will make them very uncomfortable. In this planet of ours, regardless of whether we are talking about the northern hemisphere or the southern hemisphere, the climate has become increasingly warm all the same.

At the end of the last century, Executive Director of the United Nations Environment Programme Klaus TOEPFER pointed out that global warming would quicken the evaporation process of water and alter the pattern of climatic cycles, resulting in aggravation of climate changes and causing natural calamities such as heat waves, hurricanes, floodings, droughts, and so on. Natural calamities related to the warming climate caused economic losses amounting to tens of billion US dollars in Asia just five years ago. The warming of the earth has led to increased incidence of respiratory diseases, cancers, headaches, and so on, and it is also conducive to the outbreak and spread of tropical epidemic diseases such as malaria, dengue fever and so on.

Madam President, the agriculture and fisheries industry for which I represent relies on the ocean and the land for production activities. Climate changes have a direct bearing on our livelihoods. The agriculture and fisheries industry is hardest hit among all the people who are affected by the negative impact of climate changes.

In 1999, the State Oceanic Administration and the China Office of Wetland International conducted a sensitivity assessment on major wetland areas in the Asia-Pacific Region. They concluded that climate changes would bring about rises in sea level, flooding, silting, erosion and tidal changes, which would

cause the following adverse effects to the wetland along the costal areas: (1) prolonged river blockages and draught, resulting in shortage of fresh water for agricultural and daily usages; alkalization of soil; reduction of agricultural produces; increased pest infections and ecological degradation; (2) sudden bursts of flooding, resulting in water logging and salination of soil and posing safety threats to those engaged in flood-prevention works; (3) the simultaneous occurrence of prolonged estuary scouring and rapid soil accumulation within a short period of time causes a reversal of estuary ecology, resulting in the reduction of wetland along the coastal areas; and (4) posing threats to the biodiversity of species.

The fisheries industry of Hong Kong was also victimized by the increasingly warm climate. In May 1998, 26 fish farms throughout Hong Kong were attacked by red tides, resulting in the death of large quantities of cultured fish. Many fish farmers had literally "lost everything" in the incident. At that time, the entire costal area along Guangdong Province was subject to frequent attacks by toxic red tides. In its aftermath, experts found in their studies that it was the El Niño effect that had caused the abnormal high water temperatures and the substantial increase in the occurrence of red tides. Now with the lapse of nine years, fish farmers are still haunted by the specter of the red-tide-of-the-century, and still regard it as a nightmare that cannot be dismissed easily from their minds.

Madam President, it is unanimously agreed in international covenants that massive greenhouse gas emissions is the primary cause for the global climate changes that are taking place, whereas carbon dioxide is the primary culprit causing the increasingly warm climate. The atmospheric carbon dioxide concentration has increased from 278 ppm in the pre-industrialization era to 379 ppm in 2005. Developed countries are the major carbon dioxide emitters, accounting for 75% of the global carbon dioxide emissions. The United States alone produces 25% of the overall emissions, making it the biggest carbon dioxide emitter of the world.

Our country is not a developed country, but given its rapid economic development for nearly 30 years, it has consumed a massive amount of energy, resulting in an ever increasing volume of carbon dioxide emission. Ever since the founding of the country, in all the reports made in the National Congresses of the Communist Party of China, only political or economic issues were raised in

discussions on national development. However, in the 17th National Congress held last month, the General Secretary of the Communist Party of China, HU Jintao, made a ground-breaking move when he proposed to enhance the nation's ability in responding to climate changes with a view to making contribution to protecting the global climate. At the Government level, a Steering Committee on Government's Responses to Climate Changes, Energy Conservation and Pollution Reduction personally taken charge by Premier WEN Jiabao was formed.

At present, the atmospheric concentration of carbon dioxide in Hong Kong is 360 ppm. Excessive use of electricity is prevalent — it seems we would feel uneasy without air conditioning, or unhappy without lighting. Furthermore, with the continual erection of "wall effect" buildings, the problem has been further aggravated. The policy address released by the Chief Executive this year has proposed a number of measures for reducing greenhouse gas emissions, including conducting a public consultation on legislating for the mandatory implementation of the Building Energy Codes, negotiating with the two power companies on the terms of their SCAs and reducing building emissions. I hope these will enable us to do better in this respect.

Madam President, I support the motion.

MR BERNARD CHAN: Madam President, no one knows exactly how much human activity affects the climate. All sorts of factors — from volcanoes to changes in the sun — play a role. And no one knows exactly what the results of global warming will be. The forecasts range from mild to catastrophic.

However, nearly all scientists now accept that man-made CO₂ emissions are warming the planet to some extent, and it is impossible to predict how severe the results will be if we do nothing. In other words, if we do not take action, we are taking a terrible gamble with our future and our children's future.

A week ago, several of us here in this Council joined with some other figures and became World Wild Fund Climateers. The idea is to help publicize ways that everyone can reduce the amount of carbon they and their families release into the atmosphere. As part of the process, we all calculated our current carbon footprints.

It is an interesting calculation to make, because it really shows you how much your own lifestyle might be contributing to the climate change. I am afraid to say that my activities produce 70 tons of carbon a year, which is more than average, and is nine times more than the Honourable CHOY So-yuk and, I think, is four times more than the Honourable Audrey EU.

The main problem in my case is flying. I fly more than many other people, but I can assure you that many more in the business world that I know, based in Hong Kong, fly far more than I do — every week or more — and I am pretty sure that their carbon footprints must be measured in hundreds of tons.

Other major factors involve things that we probably do not think much about, though we should. Some people have the air-conditioning on a lot, while some people only use it very rarely. Again, the Honourable CHOY So-yuk mentioned that she only turned on the air-conditioner three times a year. Some people travel by private car or taxi a lot, while some might only ever use the train. The examples go on and on.

This motion and its amendments contain a wide variety of suggestions about how the Government can encourage lower carbon emissions. Some of these, such as the mandatory Building Energy Codes and greater controls on the power companies, would affect vested interests. Somebody and somewhere would suffer financially. Obviously, everyone will want someone else to pay.

If we are going to be serious about reducing carbon emissions, I believe we have to consider a much broader approach. We must accept that we are all part of the problem — some of us more than others.

If we really want to be serious, we should start to consider a revenue-neutral energy tax. This would mean significantly higher power and fuel bills, but they would be offset against the cuts in other taxes and increases in welfare payments.

Educational and publicity exercises are all very well, but nothing gets the message across as well as hitting people in the wallet. Across-the-board economic incentives would work. I am not pretending this is a simple thing to do, but I am suggesting that we think about it seriously. As I said at the beginning — doing little or nothing is a gamble with our future.

Finally, Madam President, I know some people think that Hong Kong is a very small place, therefore we do not have to bother with this problem. They say that what we do will not make a difference. In terms of the worldwide tons of carbon, this is true. But it is also irrelevant. We have no right to point the finger at others if we are not willing to take any real action ourselves.

Indeed, I think that we should take the opposite approach and think positive. We should see this as an opportunity to be the world leader. As a small but modern city, we are probably better placed than many communities to show what can be done. Thank you.

MR LI KWOK-YING (in Cantonese): Madam President, in recent years, the climatic conditions of Hong Kong have become rather abnormal. Let us take this year as an example. The very hot weather warning has been effective for the longest period of time in many years, making it necessary for nearly 10 000 elderly people to call for assistance through the Personal Emergency Link Service. Among them, nearly 1 000 persons needed to be sent to the hospital due to physical discomfort such as shortness of breath, and so on. From this, we can see that global warming and climate change are no longer just some international academic subjects. Instead, they have actually caused serious impact on the life and health of Hong Kong people.

In fact, many countries have already listed global warming as an important item on the policy agenda of the respective governments, and they have also formulated long-term and specific goals to be achieved in respect of the emissions of major greenhouse gases such as carbon dioxide. Let us take the three world cities, Tokyo, London and New York, which have been very active in reducing emissions, as examples. Taking 2000 as the base year, Tokyo aims at achieving a reduction of greenhouse gas emissions by 25% by 2020. London seeks to achieve a reduction of the carbon dioxide level, with 1990 being the base year, by 60% by 2025. New York adopts the emissions level in 2005 as the basis and plans to reduce 30% greenhouse gases by 2030.

Madam President, the issue of reducing greenhouse gas emissions was also mentioned in this year's policy address. The Chief Executive pointed out that, as a member of the Asia-Pacific Economic Co-operation, Hong Kong would honour its pledge and sought to achieve a reduction in energy intensity of at least 25% before 2030, with 2005 being the base year. However, this so-called

energy intensity just focuses on the proportion between economic development and energy consumption, without any regard to the production and degree of cleanliness of such energy, and so on. Obviously, when compared to such world cities like Tokyo, and so on, Hong Kong lacks of vision and strategy in emissions reduction.

Undoubtedly, according to the Kyoto Protocol, China is a developing country. As such, it is not required to comply with the mandatory emissions reduction target. And since Hong Kong is a part of China, so even though we belong to the developed territories, we are not required to control greenhouse gas emissions strictly. However, frankly speaking, we are in fact a maturely developed economy, and in witnessing local greenhouse gas emissions escalating by the year, do we not find it reasonable enough to do our part in emissions reduction? What is more, China has not turned a blind eye to the global warming crisis just because it is classified as a developing country. Instead, it has proactively formulated some forward-looking proposals in order to achieve emissions reduction targets. For example, the Central Government has promulgated the National Proposal of China to Deal with Climate Changes; it has also proactively planted trees to absorb carbon dioxide. The Central Government also plans to increase the present forest coverage of 18.2% to 20%. From this, we can see that, in spite of the lenient requirements to which China is subject under international covenants, it has not relaxed its efforts in reducing emissions and greening the environment. Instead, it has voluntarily introduced various feasible measures, which reflect its commitment to mankind and the environment. Since Hong Kong is the wealthiest city of China, is it possible for us to take the lead in formulating a clear-cut emissions reduction target so as to play the role of a model city?

Apart from a specific emissions reduction target, the SAR Government should also seek to, at the policy level, achieve the dual targets of saving energy and improving energy efficiency. First, with regard to saving energy, this has a close relation with the personal habits of people in their daily life. In cultivating an awareness of the people and enterprises of saving energy, we may try to promote this with the assistance of policies. In 2000, the Government reached an agreement with the two power companies, under which the two companies should implement the Demand Side Management Programme, to rebate part of the electricity tariffs to non-residential users for the installation of energy efficient lighting and air-conditioning equipment. The responses to the

programme was very enthusiastic. However, as it was just a short-term arrangement, no further fund was injected for extending the programme.

In fact, some countries have long since realized that if the concept of energy saving can be embedded into the personal ways of life, it can effectively reduce energy consumption. Take the case of London as an example. In the 2007-2008 financial year, £7 million has been allocated to implement the Green Home Scheme, which provides advisory services to London citizens on energy reduction in households, assists the people in installing energy saving devices and provides energy audit services, and so on. It is estimated that, by 2025, the Scheme will be able to save £1 billion in energy expenditure for London citizens. In other words, each household can on average save £300 a year. Besides, the government's housing policy has also adopted energy efficiency as its target. It provides incentives to existing owners and encourages them to use energy saving installations in refurbishing their properties.

In order to heighten the awareness of the people of saving energy, should the authorities not follow the practices of foreign countries by providing loans or financial assistance to owners to enable them to install energy saving devices? Besides, the Government should reconsider launching some rebate programmes, so as to encourage the people to use energy saving products. Regarding energy saving arrangements for buildings, although the Electrical and Mechanical Services Department has promoted the Building Energy Codes through the Hong Kong Energy Efficiency Registration Scheme for Buildings, as the Scheme is voluntary in nature, its effectiveness is not obvious. In view of the fact that many international cities like London have required all buildings to attain certain energy saving standards, should the SAR Government not act in line with the international trend by enacting legislation to enforce the Codes mandatorily, so as to enhance the energy efficiency of buildings?

With these remarks, Madam President, I support the motion.

MR FREDERICK FUNG (in Cantonese): President, in order to tackle global warming, we must first understand the underlying factors contributing to its occurrence. In fact, the so-called "greenhouse gases" refer to gases present in the atmosphere that can cause the greenhouse effect, including vapour, carbon dioxide, methane, nitrous oxide, and ozone. Some of the greenhouse gases are generated naturally in the atmosphere, but after the industrial revolution, human

factors have become more significant in contributing to the generation of such gases. In particular, since the people have been burning fossil fuels extensively for generating energy, it leads to the production of a drastically increased amount of carbon dioxide, thereby contributing to the increased intensity in greenhouse gases in the atmosphere. The situation is like what happens in a greenhouse, as the heat is trapped inside the atmosphere of the earth, consequently the global temperature rises abnormally.

For this reason, various countries have been studying the issue for many years in a bid to identify solutions to it. As a result, the United Nations Framework Convention on Climate Change and the Kyoto Protocol came into existence in order to cope with the challenges presented by global warming. What is the situation in Hong Kong? Our greenhouse gas emissions have increased from 39.2 million tonnes in 1991 to 44.8 million tonnes in 2005, an increase of 14%, which obviously indicated a trend of deterioration. However, the Hong Kong Government seems to be doing nothing about it, and the corresponding measures still very much lag behind the requirement of the circumstances.

President, according to the records of the Hong Kong Observatory, the temperatures of Hong Kong during the past 100 years had increased on average by 1.2°C, whereas the global increase over the corresponding period was only 0.6°C, showing that Hong Kong has been warming at a rate faster than the global trend. Doing further calculations on the basis of the above, the Hong Kong Observatory forecasts that winter may disappear from Hong Kong by 2050. By then, we shall not have winter anymore, meaning that there will not be a single day with a temperature lower than 12°C.

As disclosed in the Assessment Report on the Climate Changes in Guangdong Province prepared by the Guangdong Meteorological Bureau, the rate of warming of the province during the last 50 years has also been higher than the global trend. In the meantime, the Report also warns that the water level in the coastal area has been rising rapidly. Fifty years later, the sea surface will go up by 30 cm. It is forecast that, by then more than 1 000 sq km of land in the Pearl River Delta will be submerged. We can be certain that, as part of the coastal area of Guangdong, Hong Kong cannot stay aloft.

According to the fourth assessment report compiled by the most authoritative organization, the Intergovernment Panel on Climate Change,

formed jointly by the United Nations Environment Programme and the World Meteorological Organization, the global temperature in the 21st century will rise by 1.1°C to 6.4°C; the sea surface will go up by 18 cm to 59 cm; the frequency of occurrence of heat waves and thunderstorms will increase; and the numbers of droughts, tropical cyclones and extreme high tides will increase as well.

International epidemiologists have warned that global warming has changed the outbreak patterns of many infectious diseases, such as influenza, West Nile virus, dengue fever, malaria, and so on. The incidence rates of such diseases keep rising, and with the forecast of the gradual disappearance of winter, the outbreak of infectious diseases may spread over the entire year as a result of the warming climate.

Such astounding forecasts have reflected that the crises are looming. It is high time for us to cope with the situation in a most resolute manner. Unfortunately, I am not sure whether it is because the people believe that there is still a long time before the actual occurrence of such crises, or whether everyone thinks that we can still afford to wait further, both the Government and the public are not adequately concerned about the issue. People seem to think that this has nothing to do with us who are living in this world now. This is beyond our comprehension. For many years, the Government has vigorously promoted the concept of sustainable development, but it seems it has only engaged in empty talks. Everyone is only concerned about the immediate development before us without any regard for what will be happening to our children.

The issue of global warming was mentioned in the policy address released recently. However, the measures proposed in it are not in proportion to the acute crisis before us. For example, the Chief Executive says that Hong Kong shall honour the pledges made in the Asia-Pacific Economic Co-operation (APEC) Leaders' Declaration on Climate Change, Energy Security and Clean Development. He says that Hong Kong shall seek to, with 2005 as the base year, achieve a reduction of at least 25% in the energy consumed per unit GDP (that is, the so-called energy intensity) by 2030. However, no specific methods have been mentioned for effectively honouring the pledges contained in the Declaration. In the present negotiation with the two power companies, the authorities have been very weak and powerless. The power companies can insist on not making any concessions on the critical requirement of linking permitted returns with excessive emissions. From this, the public can see that

with the present regulatory framework, together with the lack of proper legislation to complement it, it is by no means easy for us to achieve the above energy intensity target.

In fact, the Government can specify the emissions reduction targets direct, and then it may strive to achieve them by way of legislation. It is not necessary for the Government to achieve them indirectly by adopting the concept of energy intensity. President, according to the Kyoto Protocol, due to China's status as "a developing country", we are not required to undertake to restrict or reduce greenhouse gas emissions; and after all, the greenhouse gas emissions in Hong Kong only constitute a small part of the aggregate emissions worldwide. As a member of this earth, and as a maturely developed cosmopolitan city, Hong Kong differs greatly from the Mainland in terms of development. The new government of Australia has also decided to join other countries in reducing emissions as stipulated by the Kyoto Protocol. We should not and cannot evade this responsibility. Hong Kong absolutely has the capability to act in line with other Western economies in directly formulating the emissions reduction targets of greenhouse gases, and then further restricting the emissions by way of legislation. Besides, the authorities should introduce some holistic measures, including promoting the enhancement of energy efficiency and the development of renewable energy, and so on, so as to demonstrate our determination in rising up to the challenges presented by global warming.

With these remarks, President, I support the motion.

MR LEUNG YIU-CHUNG (in Cantonese): President, I agree to all the remarks made by Honourable colleagues earlier on. In particular, most of the views expressed by Mr LI Kwok-ying are very close to those of my own. But among issues discussed by him, there are two issues that are worth further discussion. I recall he said that some laws and regulations governing the emission of pollutants had already been enacted in the Mainland, and he asked, in view of the fact that such regulations were already in place in the Mainland, why such measures were not implemented in Hong Kong. Besides, he also said, in view of the booming economy in Hong Kong now, we should strive in full gear for the promotion of environmental work. President, these two points are of course very good, because they illustrate that the environmental causes have already been given proper emphasis in certain places, and also we have the right

conditions for implementing such measures; therefore, riding on the strength of these two points, he would like to exert pressure on the Government to make it do more in this regard.

However, President, I would like to ask this question from another perspective: If such laws and regulations do not exist in the Mainland, are we going to stop pursuing such an issue? And when we are in an economic downturn, are we going to stop doing something about such an issue? These are after all issues that we should be exploring. In my opinion, this approach has frequently been adopted by the Government: Instead of trying to identify ways of solving problems, the Government keeps discovering more difficulties to hinder the implementation of environmental work. This is an even more serious problem.

President, why do I say so? Let me cite an example. For many years, I have been telling the Government in this Chamber that we have at least more than 5 000 vans running on the streets, and the exhaust emissions problem has become very serious. Ms Miriam LAU had also raised this question: Why do we not allow vans to change to using liquefied petroleum gas (LPG) as fuel? People in the trade had taken the initiative to request the authorities to allow them to use LPG under a pilot scheme, but the Government did not accede to their request. Why? The Government said that we did not have enough LPG filling stations and LPG storage tanks, so we could not proceed. That explains why the Government does not consider the conversion of vans. President, this problem has existed for many years, and the vehicles keep polluting our environment. Why do we not adopt some measures? Instead, why do we keep identifying difficulties, and not go ahead tackling them? It is exactly for this reason that the problem has become even more serious. Today, in our discussion on the environmental issue, Miss CHOY So-yuk and other Members have put forward many points. But what I find most important is: Does our Government have the determination? If our Government does not have the determination, whatever we say will be useless.

In fact, environmental problems are not unique to Hong Kong. As many Honourable colleagues have said just now, recently we have seen that climate change has led to many natural disasters. In particular, the escalated melting of ice masses has triggered floodings in many places. These problems are not only the problems of Hong Kong. Instead, they are threatening human beings all over the world. Each and every place must make extra efforts to deal with the

issue. Unfortunately, with regard to this issue, we find that the SAR Government is treating it as if it is not imminent at all, acting very slowly. This is where the greatest problem lies.

I remember that there was this press report yesterday on the legislation that banned the use of plastic bags in the United States. Not only in the United States, but a country in Southern Africa also does the same — it has legislation in place to ban the use of plastic bags. But what about us? We have only started discussing now whether we should impose a plastic bag tax in order to restrict the quantity of plastic bags used. In comparison with other places, we have really lagged far behind. What does this show? It shows either we are out of touch with the real problem, or we simply couldn't care less about this issue. Or, as I have said just now, we do not have the determination and wish to delay facing the issue as long as we can. That is the attitude we have been adopting in handling the problem.

In our discussion on climate change today, I think it is not only important for us to cite the examples in other countries in order to let the Government know what have been done by others, but it is also important for us to make greater efforts to ask the Government this question and demand an answer from it: How great a determination does our Government have in facing this problem that has been threatening mankind? I have just listened to the speech of Mr Bernard CHAN. He has made a good point, that is, we should not think that since Hong Kong is a small place, so there is not much we can do, nor can we make a difference to the world. I really agree with him in that as long as every person and every district can do the best, then the danger of this major problem that has been threatening all the people in the world will be alleviated.

Therefore, if every one is doing the right thing, then Hong Kong cannot ignore its own role, and our Government will not be able to adopt a couldn't-care-less attitude. Today, many Honourable colleagues have put forward many other methods, laws and regulations, in the hope that we can do this. But the question lies in whether our Government has the breadth of mind and tolerance to do it. I find that this is really the most important point. President, one last comment, I hope the SAR Government can have a very strong determination to face this problem; otherwise, the problem will always be there.

President, I so submit.

DR RAYMOND HO (in Cantonese): Greenhouse gas emissions and the associated problem of global warming and disorders in the climate system have gradually been considered the key factors affecting regional sustainable development and mankind, and they have also become issues of concern to all countries in the world. Acknowledging the gravity of the problem, many countries have concluded the Kyoto Protocol, undertaking to make commitments to reduce the emission of carbon dioxide and another five types of greenhouse gases, or to participate in emissions trading when the emission of these gases has continued or increased. As Hong Kong is part of China, the Kyoto Protocol does not specifically require Hong Kong to make commitments for emission reduction. But being a highly developed economy, Hong Kong should take decisive measures to reduce the emissions of these gases.

The studies conducted by the Environmental Protection Department in recent years have pointed out that carbon dioxide (CO₂) takes up the largest share of greenhouse gases in Hong Kong, accounting for 86% of the total emissions, while methane (CH₄), which is second to CO₂, accounts for 11% of the total emissions. CO₂ comes from a diversity of sources, including power plants, transport and traffic, the manufacturing and construction industries, and so on, while CH₄ will be produced in the process of waste disintegration at landfills, which constitutes the major source of the emission of CH₄.

Hong Kong should formulate relevant measures to reduce greenhouse gas emissions in accordance with the reports of these studies. In respect of energy, the Government can encourage the use of liquefied natural gas to replace coal in power generation. In the long run, Hong Kong should draw up policies to promote the development of renewable energy, such as solar energy, wind energy, and so on. To kick-start the development of renewable energy resources in Hong Kong, I think the Government must provide financial and policy support in the initial stage of development. Meanwhile, the Government should provide funding for conducting certain essential tests or trial schemes to expedite the development of the relevant technology. To urge the Government to take actions, I proposed a motion on "Developing renewable energy resources" on 17 January 2001 which was passed smoothly with the support of colleagues of this Council.

Moreover, the Government should actively promote the development of building designs compatible with the principle of sustainable development. These include the use of regional water cooling systems, geothermal heating and

cooling systems, and avoiding designs which will create the wall effect. The Government can also encourage developers to construct their buildings in more environmentally-friendly ways and reduce the use of building materials, especially timber.

I also moved a motion on "Review of Buildings Ordinance" on 26 January 2000 and made the relevant proposals to the Government.

Apart from these measures, the Government can also reduce greenhouse gas emissions in Hong Kong by, among other things, promoting the use of environmentally-friendly vehicles, promoting energy conservation in commercial and residential buildings to increase energy efficiency, speeding up urban greening works in open space areas and on slopes, rooftops of buildings and walls, recycling of CH₄ at landfills, conducting publicity activities to enhance the public's understanding of the relationship between greenhouse gas emissions and global climate changes, so as to urge the public to lead a green lifestyle and reduce greenhouse gas emissions, and also enhancing co-operation with the Mainland, especially the Pearl River Delta Region, in a bid to strive to reduce greenhouse gas emissions in the region.

President, these proposals will involve the briefs of many government departments. The Secretary for the Environment has not let us down by efficiently setting up an inter-departmental working group under the Environmental Protection Department, and we have high expectations of it. Where necessary, the Government must introduce effective policies and administrative measures in support of it.

I so submit. Thank you, President.

MR LEUNG KWOK-HUNG (in Cantonese): With regard to pollution in Hong Kong, the emission of carbon dioxide in the South China region or other emissions contributing to the greenhouse effect, Hong Kong people should actually bear a great part of the responsibility. It is because during the industrialization of the South China region, many Hong Kong people and Taiwanese people set up factories in the Mainland and most of these factories did not observe the local rules and regulations. Some colleagues said earlier that the Mainland has many rules and regulations on this. This comment is tantamount to saying that my mother is a woman, an obvious fact that everybody

knows. But the problem is ineffective enforcement. This is, of course, a political issue, but I do not wish to talk about it today.

We have brought to South China the pollution that should have happened in Hong Kong, and for reasons such as shortage of labour and increasing operational costs, we may be bringing it even to the more remote provinces in the Mainland. This is a problem that the Hong Kong Government must deal with. I know I will be criticized for saying this, as people would ask if I mean that the Government should impose regulation on those factory owners with investments in the Mainland. Speaking from the bottom of my heart, I think we really have to do this. We certainly are not in a position to impose any control on the Taiwanese, but insofar as this issue is concerned, what the Government has done is basically "zero". Nor has it told the truth. So, all that Hong Kong people know is to complain about pollutants in the Mainland being carried to Hong Kong whenever the wind blows from the north.

In fact, the source is that we have relocated to the Mainland those polluting industries which should be originally operating in Hong Kong. For instance, the electroplating industry and the enamel coating industry have almost disappeared in Hong Kong, and these are polluting industries. We have even contaminated the source of water in Dongjiang River. I have read a book and a documentary which drew the same conclusion. What lesson can we learn from this? First, if the objective is money-driven and the sole purpose is to make a profit, then this person is unreliable. Second, if the Government has failed to exercise its public authority to work for the benefit of those people who have neither money nor powers, there will not be any changes in society.

We said that global warming is a problem affecting everyone and that we will only be meeting our doom together eventually. But many people are actually unaware of the problem, and they have only emigrated to places where pollution is less serious. I know that the United States is the only country — no, not the only country, but a country where the emission of carbon dioxide has exceeded the limit by over 25% but still refusing to sign the Kyoto Protocol. What can we do about the United States?

What we are talking about now in Hong Kong are things within our control and yet, I cannot see that the Government has done anything about them. Take myself as an example. I have taken part in demonstrations to draw attention to the problem of wall-like buildings but the Government has not given any

response, except worrying about whether property prices will be affected by my action. This seems to be suggesting that if property prices do not increase in tandem with a two-degree rise in temperature under the global warming effect and since property prices have not shown any increase, let the temperature increase instead.

With regard to the two power companies, while the Government told us categorically that the increase in electricity tariffs by the two power companies was justifiable, the two power companies told the Government that they would do anything to oppose the proposal of linking emission reduction to the permitted rate of return and yet, the Government was totally unable to respond to them about how this should be handled. As far as I remember, Secretary Edward YAU was taken to task after making one or two remarks. What exactly is the Government's attitude? Is it going to do anything?

On the question of global warming, this Council has failed to state a fact and that is, advanced capitalistic countries will transfer their own pollution to other places. Hong Kong is one of the most prosperous economic zones in China, and we have also done so. If we cannot control our capitalistic consortiums, I can say that we are only wasting our efforts. They can do it in the Mainland; they have done it in Hong Kong, and they are doing it even now. These capitalistic consortiums simply neglect the reaction of the people. Minibuses are an example. Why do they not do something? The Government will not do anything about them.

I live in public rental housing. The ceiling height of my unit is about 8 ft. At first, I did not want to install an air-conditioner at the balcony, but I must tell you honestly that I do use an air-conditioner in my flat because if I do not use it, the heat from the upper and lower floors will come into my flat. When building the public rental housing units, the Government did not consider making arrangements to enable residents to enjoy natural light and wind; nor did it consider making use of solar energy or whatever.

What has our Government done? All the Government knows is to say that nothing can be done, arguing that there are problems with our industrial structure. But why can it not take some of these measures? I think the Government will respond that this must be resolved by the market and in that case, the situation will be back to square one, that is, let the rich people resolve the problem, let the rich people override the Government, let them turn the earth into a huge fire cannon and let us meet our doom together!

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

(No other Member indicated a wish to speak)

PRESIDENT (in Cantonese): If not, I will now call upon Miss CHOY So-yuk to speak on the amendments. The time limit is five minutes.

MISS CHOY SO-YUK (in Cantonese): President, there are quite a few amendments today. The DAB will lend its support to all of them. Ms Miriam LAU suggests strengthening co-operation with the Mainland. In my opinion, I think the Mainland is actually doing better than Hong Kong. Of course, it is positive to forge co-operation with the Mainland, for at least we can learn from the determination shown by the Mainland.

Ms Audrey EU suggests taking active steps to develop renewable energy. This is something which the DAB has always supported. So the DAB also agrees that assistance should be given to small- and medium-sized power plants to connect their power generation systems fuelled by renewable energy sources with the power grids.

Mr Jeffrey LAM suggests that before the mandatory implementation of the Building Energy Codes, there must be extensive consultation. I notice that when Mr Jeffrey LAM spoke earlier, he raised a number of questions. When the mandatory implementation of the Codes is to take place, would it apply to new buildings or old buildings as well? Or is the mandatory implementation of the Codes also applied to old buildings under renovation? I would like to talk about the view of the DAB on these questions. All legislative attempts to regulate anything should refer to new buildings, for even if many old buildings may want to comply with the relevant Codes, they may be under the constraints of old technologies or old approaches used that it would not be possible for them to do so even if they want to. So we should see this point. Hence we hope that these Codes can be applied to new buildings in the future.

As for the renovation of buildings, we hope that the Government can really do something to encourage compliance with the Building Energy Codes by buildings and what can be changed should be changed. But we also think that even if it is mandated that these Codes be enforced in some buildings, it may not

be possible for them to comply or that the costs involved may be too high for them to accept. Therefore, what we mean when we talk about legislation on regulation, we do not mean those buildings that have undergone renovation.

President, Mr SIN Chung-kai has made quite a number of suggestions. Actually, we had considered the same suggestions when we first drafted the motion, but as we were not sure if other Members would agree to these suggestions, so we just put down the few suggestions which the DAB thought were the most important. Therefore, we accept all the suggestions made by Mr SIN Chung-kai. As I have said earlier, we support the proposals to set the target for local electricity supply to be provided from renewable energy sources at 5% of the total electricity supply or to include a carbon dioxide emissions project in the emission trading pilot scheme in the Pearl River Delta Region. In addition, with respect to dressing casual in summer, in a Question and Answer Session of the Chief Executive three years ago, I asked him to take the lead and remove his bow tie. I also suggested that officials should put on casual wear when they went to work in summer.

President, I wish to talk a bit about compensation for carbon emissions mentioned by Mr SIN Chung-kai. As Mr Bernard CHAN has said earlier, it is our privilege to work as "carbon ambassadors" and I am honoured to work together with Ms Audrey EU and Mr Bernard CHAN. I would like to extend a formal invitation now to the Chief Executive, the Directors of Bureau and all Members of this Council to examine the carbon emission data and if the data are found to exceed acceptable international standards, they should donate money according to the amount in excess and use it in afforestation work. We should all take the lead to do compensation work for carbon emissions. I hope the Secretary can take the lead and ask the Chief Executive, the Secretaries of Departments, the Directors of Bureau and Members of the Council to take part in the project to calculate carbon emissions. At least, we should do something together first.

SECRETARY FOR THE ENVIRONMENT (in Cantonese): Madam President, Honourable Members, first of all, I would like to thank you all once again for the motion debate today. When the new term of the SAR Government commenced, work in such areas as the environment, energy, sustainable development and conservation was merged and brought under the new Environment Bureau. The discussions made on this occasion have served to set

a new direction for us and this will surely be helpful to our work in future. With respect to this topic, Members have put forward many views. When I spoke for the first time, I had outlined our position and objectives. Now I would like to respond to views put forward by Members with respect to government strategies and measures to address climate change and reduction of greenhouse gas (GHG) emissions.

As I pointed out earlier, Hong Kong is a service-based economy without any energy-intensive industries. This is a relative advantage of ours. Our principal source of GHG emissions is power generation. In other words, in the course of people's daily life, their use of electricity results in GHG emissions. Power generation accounts for over 60% of our total GHG emissions. Therefore, if an emission reduction campaign is to be launched in Hong Kong, the most direct and effective method is, as Members all agree, through raising the overall energy efficiency in Hong Kong, encouraging the public and the commercial and industrial sectors to save on energy, promoting the use of clean and renewable energy, as well as implementing greening programmes. If work on this is to succeed, public awareness of climate change must be heightened. In addition, owing to this reason and as Members can see, the policy address this year has actually put forward many recommendations regarding the climate change problem, including the formulation of certain targets, and a very positive response is made on the effective use of energy.

Miss CHOY So-yuk proposes to include the limits on the amount of GHG emissions in the terms of the new Scheme of Control Agreement (SCA) with the two power companies. Miss Emily LAU has put special emphasis on the issue when she gave her speech earlier. Many Members also voiced views on the issue. Apart from the case of Mr Jeffrey LAM whose position on the issue was not clear because I failed to catch him clearly because he helped himself to a mouthful of water in making that comment, I have heard Members say that they wanted to include sulphur dioxide (SO₂) emissions in the terms of the SCA for they regarded SO₂ as a source of air pollution. Members may have noted in previous discussions, especially in the consultation paper entitled *Future Development of the Electricity Market in Hong Kong Stage II Consultation*, that the Government has great determination to reduce the emission of pollutants by the two power companies. With respect to this, I reiterated in the motion debate on the policy address held on 25 October in this Council that the Government is determined to implement this arrangement, that is, under the new

regulatory mechanism for the two power companies, should they fail to comply with the emission caps set by the Environmental Protection Department (EPD) according to the Air Pollution Control Ordinance, we will adjust the return rates of their fixed assets downward. I believe Members should rest assured that our stand on this is firm and clear. However, as to whether SO₂ emission which is not a pollutant by itself but a GHG should be included in the SCA of the two power companies, the Government has reservations about it. The reservations do not stem from any problems about our determination and it is not that we do not want to do it, but we have to consider the technical implications and impact on the public if SO₂ emissions are added to the emission cap.

Members know that in Hong Kong, over 50% of the electricity is generated from coal burning, the rest is from natural gas and a small portion is from nuclear energy. If a cap is imposed on SO₂ emission, it would mean a substantial change in the fuel mix which is presently dominated by coal burning, followed by natural gas and a small portion of nuclear energy. The change would imply technical modifications, the source of natural gas, as well as future electricity tariffs. Hence, detailed considerations must be made. This is because any substantial change in the fuel mix would exert pressure on future electricity tariffs in the end. There may have to be in-depth discussions in the community on this point alone before a consensus can be reached. I would like to make it clear that it does not mean that the Government lacks the determination to go ahead, but power generation is actually a major source of SO₂ in a service economy like Hong Kong and if we include SO₂ emission into the SCA, we will have to consider the price we may have to pay as well as other technical problems.

For the same reason, it would not be an opportune time to adopt the proposal made by Mr SIN Chung-kai to include a carbon dioxide (CO₂) emission project in the Emissions Trading Pilot Scheme for Thermal Power Plants in the Pearl River Delta Region. The pilot scheme was based on the emission reduction targets to improve regional air quality as agreed by the Governments of Hong Kong and Guangdong Province in 2002. On the premise of voluntary participation by coal-fired power plants in the Pearl River Delta (PRD) Region, it is hoped that the emission caps set by both Governments can be reached through emissions trading. However, GHG emissions are not included in the scheme. As a matter of fact, international GHG emissions trading schemes operate as a general rule under the United Nations Framework Convention on

Climate Change, and Guangdong Province and Hong Kong are two regions in China. Therefore, we do not see any need to include such a proposal in this scheme for the time being.

However, with respect to reducing GHG emissions caused by power generation, I would like to point out that since 1997, the Hong Kong Government has banned the building of new coal-fired power plants and in their place environmentally-friendly power plants fuelled by natural gas are permitted. We will continue to encourage the two power companies in Hong Kong to switch to using cleaner sources of energy as well as renewable energy. We will require the power plants to improve their efficiency in coal-fired power generation.

Ms Audrey EU suggests that the Government should proactively develop renewable energy. In this respect, as many Members such as Dr Raymond HO and Prof Patrick LAU have mentioned, more efforts should be put into developing renewable energy to cope with local energy demands. Our position on that is in line with that of Members. In order that a viable target can be set, we have made reference to the targets set by Sustainable Development Strategy for Hong Kong as proposed by the Sustainable Development Council in May 2005, that it is hoped that the use of renewable energy can meet 1% to 2% of the total power demand in Hong Kong by 2010. I think Members will understand that in this connection, our position is that a higher percentage can be achieved in due course. Members and the public may see that we may be constrained by the shortage of land due to the small area of Hong Kong, but we are working towards this target and in this direction.

As pointed out by Ms Audrey EU and Mr SIN Chung-kai, insofar as renewable energy is concerned, as we are negotiating with the two power companies on the new SCAs, we have actually asked the two power companies to use renewable energy facilities to connect with the existing power grids and to adopt measures like waiving the administrative charges in grid connection levied on renewable energy users. The aim is to enable the supply of power generated by renewable energy through the grid. We will offer financial incentives to the two power companies to encourage increased use of renewable energy in power generation. However, we have to admit that in developing renewable energy, we are often subject to geographical and environmental constraints and so when setting our targets we have to take these actual constraints into account. This is why we consider the target of 1% to 2% a suitable starting point at this stage, but

we will review the target to see if any revision or adjustment can be made, taking into account the technological developments and other relevant factors.

The Government agrees very much with the point raised in the motion and amendments on enhancing greening work and to make such work a measure to cope with climate change. Given the small size and dense population of Hong Kong, with the efforts made by the Government and support from the public, 40% of our land is actually protected green areas. Mr Patrick LAU has quoted the examples of other cities such as the case of Singapore which aspires to reaching a target of making 40% of its land green areas. Actually, more than 40% of the area in Hong Kong is green. Madam President, in the latest policy address, we have added the 24th country park in the hope of gradually increasing the green coverage in Hong Kong.

In the urban areas, the Government is taking active steps to support and promote greening work there. In this regard, the Development Bureau has completed the relevant greening measures in Tsim Sha Tsui and Central as found in the Greening Master Plans (GMPs) for these districts. It begun to work out the GMPs for Sheung Wan/Wan Chai/Causeway Bay and Mong Kok/Yau Ma Tei in January 2007 with the hope of completing the work during the year. In mid-September, the Development Bureau will start to draw up GMPs for the rest of the urban areas and the target completion date is mid-2009. In addition, a decision has been made to commence studies on and works for the GMPs of the New Territories. I recall Members were briefed on this during the motion debate last time. I hope work on these can commence in mid-2009.

Apart from introducing the GMPs, the Government will look into the possibility of launching urban beautification and greening initiatives with private developers and quasi-public agencies like the Urban Renewal Authority, the railway corporations, and so on, in their development projects. Examples of projects completed recently include the Landmark redevelopment project, the Hollywood Road streetscape beautification project, and the Sheung Wan renewal project, and so on.

As for rooftop greening, it is the policy of the Buildings Department that landscape design or greening work should be undertaken on the rooftops as far as practicable. More than 50 projects on rooftop greening have been completed to date and some 30 other projects are in progress or under planning. Moreover,

the Buildings Department has decided to commence some 20 renovation projects in 2007-2008 and rooftop greening facilities will be introduced. I am sure we will make reference to Miss CHOY's views. The relevant departments are working on vertical greening facilities and trial schemes are being carried out to test the results and address care and maintenance issues that may arise. Our beliefs in this kind of work are similar to those of Members and we hope to do more on this.

Miss CHOY So-yuk proposes in her motion to expedite the full implementation of the Building Energy Codes and the Mandatory Energy Efficiency Labelling Scheme. They have been mentioned in the policy address. We agree completely with these two proposals and work on these has commenced. Now commercial buildings, industrial buildings and the public areas of residential buildings account for about 35% to 40% of the total energy consumption in Hong Kong. Therefore, a focus of government energy conservation efforts has always been on improving the energy efficiency of buildings. The Office of Energy Efficiency in the Electrical and Mechanical Services Department (EMSD) has always encouraged energy audits on buildings and it has since 1998 been operating the voluntary Hong Kong Energy Efficiency Registration Scheme for Buildings.

However, since the introduction of the Scheme, only less than 200 non-government buildings or venues have taken part. This falls short of our expectation. Therefore, the Chief Executive in the policy address delivered in October has made it clear that a consultation exercise will be held later this year on legislating for mandatory implementation of the Building Energy Codes in the hope that a law will be enacted to make the Codes binding on all new buildings. We hope Members can lend their support to this. I can make a pledge to Mr Jeffrey LAM that consultation will be undertaken before a bill is introduced. We will collate views from all parties before launching this scheme. It is estimated that for new commercial buildings, the implementation of the proposals will result in energy saving of 2.8 billion kWh in the first decade, which contributes to a reduction in CO₂ emission of 1.96 million tonnes. It is hoped that the relevant figure will increase each year thereafter.

As for the full implementation of the Energy Efficiency Labelling Scheme, I believe many Members may have taken part in the deliberations on the relevant bill. I hope Members can endorse the bill as soon as possible so that resumption

of its Second Reading can be made for its enactment. Now the bill is in good progress. The initial phase of the scheme only covers three types of products, namely, room air-conditioners, refrigerating appliances and compact fluorescent lamps (CFLs). In other words, the Scheme will be implemented in these three types of products during the initial phase. The total power consumption of these products accounts for 70% of the annual power consumption by households. This explains why we have chosen to include these three types of products into the bill. After the passage of the bill, we will submit proposals for the second phase to include other electrical products and expand the coverage of the scheme. We would of course hope that members of the public, green groups and the relevant sectors can support our proposals.

Mr SIN Chung-kai suggests establishing mandatory minimum energy efficiency standards for products. I am sure that after the mandatory Energy Efficiency Labelling Scheme is implemented, market forces can be intensified to motivate suppliers of energy-consuming products to enhance the energy efficiency performance of their products and more power-saving and energy-efficient products will appear in the market.

We note that at the beginning of this year, some countries such as Australia, Canada, the United Kingdom and the State of California in the United States announced plans to mandate the phasing out of tungsten light bulbs. We support the use of CFLs to replace tungsten light bulbs. The EMSD and various green groups have been engaging in promotion on CFLs and enhance public awareness of such products and affirming their long-term power-saving results. We can take a look at some figures. The number of tungsten light bulbs imported has seen a marked decline in recent years, from 53 million pieces in 2005 to 34 million pieces in 2006. The reduction rate is as much as 36%, so we are sure that after the mandatory Energy Efficiency Labelling Scheme is implemented, when CFLs have this label and when added to our promotion efforts, the switch to using CFLs among the public will further increase. We will continue with our promotion work on this and keep a watch on the developments to see if figures about tungsten light bulbs will go down any further. Then we would consider whether compulsory measures will be adopted to ban the sale of tungsten light bulbs.

With respect to the landfills, some Members suggested optimizing the use of methane emitted from landfills. Now the landfills account for 12% of the

total GHG emissions in Hong Kong. Therefore, we agree completely with Miss CHOY So-yuk and other Members on the suggestion that GHG emitted from the landfills should be put to better use. Now the three strategic landfills and 13 restored landfills are using the methane emitted for power generation, and the power is used by facilities in the landfills. These facilities include those for the daily operation of the landfills such as ventilation and sewage treatment.

In March 2004 we entered into an agreement with the contractors for the landfill in Northeast New Territories to transfer the gas emitted in the landfill through a 19 km pipeline to Tai Po for use by the Hongkong and China Gas Company Limited plant there. The transmission has been in operation since mid-2007. We will engage in active discussions with the landfill contractors and the power and gas companies to identify some viable projects to optimize the use of gas emitted in various landfills and restored landfills. I trust Members will be pleased to learn of the results of these developments.

Climate change is not a problem that can be tackled or dealt with by a region or a country alone. I therefore concur with what Ms Miriam LAU and Ms Audrey EU have said, that Hong Kong should strengthen co-operation with the neighbouring areas to cope with the climate change problem. Hong Kong will continue to take part in the discussions and exchanges of views on the subject of climate change organized by relevant international organizations. Members have heard about the Bali conference earlier and Hong Kong has joined the C40 Large Cities Climate Leadership Group. Moreover, for the same reason, it can be seen that in the policy address this year we have done some cross-boundary work. Mr LEUNG Kwok-hung has pointed out earlier that the pollution problem in the PRD may be related to Hong Kong businesses there, we have therefore suggested in the policy address that funding be earmarked to assist Hong Kong-owned factories in the PRD Region to engage in cleaner production and reduce energy consumption and gas emissions. I believe this would be of help to regional co-operation in this aspect.

As for Mr SIN Chung-kai's suggestion on compensation initiatives to reach the goal of "zero carbon emissions", complex issues such as viability of the project, details of the compensatory measures, effective use of public money, and so on, are involved. We do not want this carbon compensation issue develop easily into a kind of carbon tax. I think there should be more discussions on that subject in the community before consideration can be given to the implementation of the proposal. Despite the fact that some overseas

companies have begun to adopt "zero carbon" measures on a voluntary basis to reduce their CO₂ emissions, at this stage we cannot see any foreign government doing anything to achieve "zero carbon emissions" in the country or on any full scale. We will keep the international developments on this closely in view.

Hong Kong has a population of close to 7 million and each day more than 1 million passenger trips are made on various modes of transport. Of these trips, 90% are made on public transport. It follows that an environmentally-friendly, safe, highly efficient and affordable transport system is essential to promoting sustainable development and mitigating GHG emissions. We will spare no efforts in developing mass transit systems in the hope of making more citizens use the rail as their daily means of transport. We have introduced a tax concession for environmentally-friendly private cars. Some Members have talked about emissions from vehicles. Over the past two years, the Government put in considerable resources in that area. With respect to trucks, the policy address last year has earmarked a sum of \$3.2 billion to assist vehicle owners to replace their diesel vehicles. Also, the policy address mentions that the current duty-free arrangement for biodiesel will become a standing policy. We will also draw up specifications on the use of biodiesel in motor vehicles. Our aim is to further promote biodiesel as a kind of fuel for motor vehicles.

We agree with the reminder from Members that the Government should lead by example. On energy conservation measures, we have achieved the target of reducing our power consumption by 6% over the past four years. We require that energy-efficient features and renewable energy systems be added to government public works. Now many government buildings, including public housing estates and schools have installed photovoltaic panels. Also, the Chief Executive has announced in the policy address this year that carbon audits will be conducted for the Tamar Complex. Various emission reduction measures will be introduced to step up work in energy conservation and emission reduction. In this connection, we hope to encourage commercial entities to conduct carbon audits for their buildings and take concerted action to reduce GHG emissions.

As Ms Miriam LAU has proposed, we have always been committed to publicity and education so as to enhance public awareness of the challenges posed by climate change. Through the publicity efforts of Action Blue Sky and the recently launched Green Hong Kong Campaign, together with other education efforts, we aim at fostering public awareness of the importance of

environmental protection and that people should start to practise a green life. Some Members have mentioned what we can do to lead such a green life. Members may notice that our recent Announcements of Public Interest (APIs) are working in this direction and the situation in Hong Kong is compared with other places. The lyrics of the song cited by Ms Miriam LAU earlier are quite similar in essence to the theme about a number of children found in our APIs.

As for the green tips mentioned by some Members and how every person can pitch in to reduce emissions, actually information on this is found in the EPD homepage. I often browsed that website in my earlier attempt to familiarize myself with the work. Apart from the Government, many Members have suggested some easy ways of making relevant calculations after taking part in the carbon reduction activities of the World Wide Fund for Nature recently. There are also some other green groups such as The Tai Po Environmental Association which held some activities called "One Tonne Challenge". So a lot of work is being done by civilian groups together with the Government. I hope such work can get wider publicity. We have proposed in the policy address to inject \$1 billion to the Environmental and Conservation Fund. Four themes in the work done by the Fund include promoting greater participation at the community level, strengthening education and publicity efforts to raise public awareness, and so on. I hope Members can lend their support when we submit our funding application to this Council later on.

Mr SIN Chung-kai proposed that a "dress casual in summer" campaign should be launched and Mr Martin LEE pointed out again that public officers should lead by example and dress casual. Actually, in the past summer, the Chief Executive as well as other officials had dressed casual most of the time in the course of their daily work. It may be that when we come to the Legislative Council and in order to show our special respect to Members, we may have dressed somewhat formally. When attending other functions or when we have meetings in the morning, I notice that more than half of my colleagues are dressed in casual wear. We hope that this practice can be promoted through examples set by officials, Members and the public. Actually, as early as in 2006, the Government has issued internal guidelines as mentioned by Members earlier, that officials do not have to dress formally in summer.

Madam President, as the Chief Executive has pointed out in the policy address delivered earlier, economic growth should not be seen as the only target

of Hong Kong's development. When pursuing economic growth, we must also meet the needs of sustainable and balanced development. I trust Members would agree to this in the debate today. I wish to reiterate here that the Government will do its best to take forward all measures necessary to curb GHG emissions and raise energy efficiency so as to honour the pledge made by the Chief Executive in the policy address to achieve a reduction in energy intensity in Hong Kong of at least 25% by 2030 (with 2005 as the base year). I emphasize that this may just be a beginning. The working group will study the effect of climate change on Hong Kong with a view to thinking about our future policy direction. I am convinced that if both the Government and all sectors across the community will join hands to raise public awareness of this and increase public engagement, we can certainly enhance energy efficiency and reduce all unnecessary wastage. It is our hope that Hong Kong can strive to become a low-emission city. Let me thank Members once again for the unanimous views they have put forward on this subject and I hope, when we submit bills or funding applications related to climate change or air pollution, Members can give us their full and unreserved support. Thank you.

PRESIDENT (in Cantonese): I now ask Ms Miriam LAU to move her amendment to the motion.

MS MIRIAM LAU (in Cantonese): President, I move that Miss CHOY So-yuk's motion be amended.

Ms Miriam LAU moved the following amendment: (Translation)

"To add "climate abnormalities frequently occur in Hong Kong in recent years and" after "That, as"; to add "also" after "climate change has"; to add " (a) strengthening co-operation with the Mainland, particularly Guangdong Province, to work together to respond to the problem of climate warming; " after "which include: "; to delete the original " (a) " and substitute with " (b) "; to delete the original " (b) " and substitute with " (c) "; to delete the original " (c) " and substitute with " (d) "; to delete the original " (d) " and substitute with " (e) "; to delete the original " (e) " and substitute with " (f) "; to delete the original " (f) " and substitute with " (g) "; to delete and (g) " after "Mandatory Energy Efficiency Labelling Scheme; " and substitute with " (h) "; and to add ";

and (i) enhancing publicity and education on energy conservation so that members of the public will start with themselves to reduce greenhouse gas emissions" immediately before the full stop."

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

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

(Members raised their hands)

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

(No hands raised)

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

PRESIDENT (in Cantonese): Ms Audrey EU, as Ms Miriam LAU's amendment has been passed, I have given leave for you to revise the terms of your amendment, as set out in the paper which has been circularized to Members. When you move your revised amendment, you have up to three minutes to explain the revised terms in your amendment, but you may not repeat what you have already covered in your earlier speech. You may now move your revised amendment.

MS AUDREY EU (in Cantonese): President, I move that Miss CHOY So-yuk's motion as amended by Ms Miriam LAU, be further amended by my revised amendment.

President, I do not think I need to give an explanation in detail. This is because I only seek to change the position of the words so that the text would become more readable. The contents are actually the same as those found in the original amendment. Thank you, President.

Ms Audrey EU moved the following further amendment to the motion as amended by Ms Miriam LAU: (Translation)

"To add "; and (j) proactively developing renewable energy for electricity generation, including providing financial incentives and technical support to facilitate grid connection of small-scale renewable energy power systems" immediately before the full stop."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That Ms Audrey EU's amendment to Miss CHOY So-yuk's motion as amended by Ms Miriam LAU be passed.

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

(Members raised their hands)

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

(No hands raised)

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

PRESIDENT (in Cantonese): Mr Jeffrey LAM, as the amendments by Ms Miriam LAU and Ms Audrey EU have been passed, I have given leave for you to revise the terms of your amendment, as set out in the paper which has been circularized to Members. When you move your revised amendment, you have

up to three minutes to explain the revised terms in your amendment, but you may not repeat what you have already covered in your earlier speech. You may now move your revised amendment.

MR JEFFREY LAM (in Cantonese): President, I move that Miss CHOY So-yuk's motion as amended by Ms Miriam LAU and Ms Audrey EU, be further amended by my revised amendment.

President, the wording of the revised amendment is the same in meaning as my original wording. Therefore, I have nothing to add.

Mr Jeffrey LAM moved the following further amendment to the motion as amended by Ms Miriam LAU and Ms Audrey EU: (Translation)

"To add "; and legislating for mandatory implementation of the Building Energy Codes only after extensive consultation" immediately before the full stop."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That Mr Jeffrey LAM's amendment to Miss CHOY So-yuk's motion as amended by Ms Miriam LAU and Ms Audrey EU, be passed.

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

(Members raised their hands)

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

(No hands raised)

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

PRESIDENT (in Cantonese): Mr SIN Chung-kai, as the amendments by Ms Miriam LAU, Ms Audrey EU and Mr Jeffrey LAM have been passed, I have given leave for you to revise the terms of your amendment, as set out in the paper which has been circularized to Members. When you move your revised amendment, you have up to three minutes to explain the revised terms in your amendment, but you may not repeat what you have already covered in your earlier speech. You may now move your revised amendment.

MR SIN CHUNG-KAI (in Cantonese): President, I move that Miss CHOY So-yuk's motion as amended by Ms Miriam LAU, Ms Audrey EU and Mr Jeffrey LAM, be further amended by my revised amendment.

President, I am also only revising the wording. The contents are no different from the original amendment.

Mr SIN Chung-kai moved the following further amendment to the motion as amended by Ms Miriam LAU, Ms Audrey EU and Mr Jeffrey LAM:
(Translation)

"To add "; in addition, the Government should also set targets for local electricity supply to be provided from renewable energy sources, including achieving 5% of total electricity supply to local households from such sources by 2020; establish mandatory minimum energy efficiency standards for products and consider following the example of Australia to mandate the phasing out of tungsten light bulbs in the next five to 10 years; take proactive steps to compensate carbon emissions, including calculating the amount of carbon emissions generated from energy used within government departments in their daily activities and making a corresponding amount of donations for tree planting, with a view to meeting the target of 'zero carbon emissions' in the long run; include carbon dioxide emission project in the emission trading pilot scheme in the Pearl River Delta Region; and launch a 'dress casual in summer' campaign within government departments" immediately before the full stop."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That Mr SIN Chung-kai's amendment to Miss CHOY So-yuk's motion as amended by Ms Miriam LAU, Ms Audrey EU and Mr Jeffrey LAM, be passed.

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

(Members raised their hands)

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

(No hands raised)

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

PRESIDENT (in Cantonese): Miss CHOY So-yuk, you may now reply and you have three minutes and four seconds.

MISS CHOY SO-YUK (in Cantonese): President, I am very grateful for the 16 Members who have spoken on this motion. None of the Honourable colleagues have shown any disapproval of the original motion and the amendments. Our views on the subject are largely unanimous.

I welcome the response made by the Secretary earlier because most of the contents in his response are positive. However, there are two important points in his response that disappoint me very much. First, the Secretary still emphasizes that the per capita carbon emission in Hong Kong is less than that in 1990 and he does not admit that the volume of carbon emission has increased. This is the first point.

Second, why has the per capita carbon emission gone down? In my opinion, the credit should not go to the Government or the two power companies. Looking back at the past decade, we find that our power consumption has increased by 40% and this is grossly out of proportion with the growth in population. What has the Government done? The carbon dioxide emissions produced by the two power companies also increased, so what did the two power

companies do? The Government must admit this before any effective measures can be introduced to cope with the problem.

Besides, Members are very concerned about the Scheme of Control Agreement for the two power companies. The Secretary can only give us one reason and, that is, it is technically not viable. We agree that it is not easy at all at the technical level, however, as the green groups have stated clearly, what we want is not the Government tackling the technical problems, what it should do is to impose a cap on carbon dioxide emissions and if emissions exceed the cap, the return rate under the Scheme of Control Agreement will be reduced. The people will stand to benefit if the Government can do it. In other words, if carbon dioxide emissions produced by the power companies have gone beyond the prescribed level, the people can get a cut in their electricity bills, for the maximum amount of returns permitted will decrease.

In addition, I hope that the Secretary can accept my invitation and take part in calculating the "carbon footprint" as we do and work together in promoting carbon compensation. I hope that when the representatives of the Hong Kong Government go to Bali to attend a conference next time, they would stop telling people that Hong Kong requires the power companies to install FGD in a bid to cope with global warming. This would simply be ridiculous. When mention is made of the number of trees planted, mention should also be made of how many trees we have burned or felled each year.

In sum, if the Secretary does not face up to the two issues mentioned by me just now, it would be hard for him to convince us that the Government has the determination and is really capable of addressing the problem of global warming.

President, I so submit. I hope Members can support the original motion and all the amendments.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the motion moved by Miss CHOY So-yuk, as amended by Ms Miriam LAU, Ms Audrey EU, Mr Jeffrey LAM and Mr SIN Chung-kai, be passed. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

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

NEXT MEETING

PRESIDENT (in Cantonese): I now adjourn the Council until 11:00 am on Wednesday, 5 December 2007.

Adjourned accordingly at twenty-eight minutes to Eight o'clock.

Appendix I**WRITTEN ANSWER****Written answer by the Secretary for Security to Dr KWOK Ka-ki's supplementary question to Question 1**

As regards whether the Administration had assessed why a debt collection licensing system could not help minimize acts of harassment in relation to debt collection, in response, the Secretary for Security said that the Administration had carefully considered the licensing proposal put forward by the Law Reform Commission (LRC) in its Report on Regulation of Debt Collection Practices. Its assessment in this regard was set out in the Administration's response to the LRC Report, which was submitted to the Panel on Security in September 2005 for Members' reference. (Please refer to LC Paper No. CB(2)2565/04-05(01))

Appendix II**WRITTEN ANSWER****Written answer by the Secretary for Financial Services and the Treasury to Mr LAU Kong-wah's supplementary question to Question 2**

Section 18 of the Mandatory Provident Fund Schemes Ordinance (the Ordinance) empowers the Mandatory Provident Fund Schemes Authority (MPFA) to take civil proceedings against employers defaulting on contributions so as to recover the arrears and the contribution surcharge calculated at 5% of the total amount in arrears. The MPFA has been making sustained efforts to follow up employees' complaints about default contributions, including instituting civil proceedings under section 18 of the Ordinance. In 2006-2007, around 94% (around \$64,098,656) of the amount in arrears (\$68,353,919) involved in such complaints has been successfully recovered for the employees.

The purpose of section 45G of the Ordinance is to provide employees with a legal basis for recovering from their employers the financial loss they have sustained as a result of the employers defaulting on contributions. Since the proceedings under section 45G of the Ordinance are instituted by employees, the MPFA has no statistics on such proceedings.

Appendix III

WRITTEN ANSWER**Written answer by the Secretary for Financial Services and the Treasury to Miss TAM Heung-man's supplementary question to Question 2**

In deciding whether to prosecute employers defaulting on Mandatory Provident Fund contributions, the Mandatory Provident Fund Schemes Authority (MPFA) will generally take into account a number of factors, including the gravity of the offences and public interests. Sufficiency of evidence is just one of these factors. The MPFA does not have any statistics on cases in which prosecution has not been instituted due to insufficient evidence.

Appendix IV

WRITTEN ANSWER**Written answer by the Secretary for Financial Services and the Treasury to Mr SIN Chung-kai's supplementary question to Question 2**

The Mandatory Provident Fund Schemes Authority is not empowered by law to impose immigration restrictions on defaulting directors who have been prosecuted, or to arrest them at the time of their entry into or exit from Hong Kong.

Appendix V

WRITTEN ANSWER**Written answer by the Secretary for Transport and Housing to Mrs Selina CHOW's supplementary question to Question 6**

As regards an estimate of the revenue foregone if 50% discount for students were extended to the Kowloon-Canton Railway (KCR) network, a reply was given to the Secretary of the Subcommittee on Rail Merger Ordinance (Commencement) Notice on 15 November 2007 on the same question. According to the MTR Corporation Limited (MTRCL), since the Kowloon-Canton Railway Corporation (KCRC) has not provided fare concession for students travelling on the West Rail, East Rail and Ma On Shan Rail, they do not have information on the passenger trips made by students on the abovementioned KCR lines and information on the relevant journeys and fares paid. Because of this reason, the MTRCL advised that the Corporation is not able to provide an estimate on the likely revenue foregone if fare concessions were provided for students travelling on KCR lines after the rail merger.