

OFFICIAL RECORD OF PROCEEDINGS

Wednesday, 18 February 2009

The Council met at Eleven o'clock

MEMBERS PRESENT:

THE PRESIDENT

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

THE HONOURABLE ALBERT HO CHUN-YAN

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

THE HONOURABLE LEE CHEUK-YAN

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

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

DR THE HONOURABLE MARGARET NG

THE HONOURABLE JAMES TO KUN-SUN

THE HONOURABLE CHEUNG MAN-KWONG

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

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

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

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

THE HONOURABLE WONG KWOK-HING, M.H.

THE HONOURABLE LEE WING-TAT

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

THE HONOURABLE 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

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 KAM NAI-WAI, M.H.

THE HONOURABLE CYD HO SAU-LAN

THE HONOURABLE STARRY LEE WAI-KING

DR THE HONOURABLE LAM TAI-FAI, B.B.S., J.P.

THE HONOURABLE CHAN HAK-KAN

THE HONOURABLE PAUL CHAN MO-PO, M.H., J.P.

THE HONOURABLE CHAN KIN-POR, J.P.

THE HONOURABLE TANYA CHAN

DR THE HONOURABLE PRISCILLA LEUNG MEI-FUN

DR THE HONOURABLE LEUNG KA-LAU

THE HONOURABLE CHEUNG KWOK-CHE

THE HONOURABLE WONG SING-CHI

THE HONOURABLE WONG KWOK-KIN, B.B.S.

THE HONOURABLE WONG YUK-MAN

THE HONOURABLE IP WAI-MING, M.H.

THE HONOURABLE IP KWOK-HIM, G.B.S., J.P.

THE HONOURABLE MRS REGINA IP LAU SUK-YEE, G.B.S., J.P.

DR THE HONOURABLE PAN PEY-CHYOU

THE HONOURABLE PAUL TSE WAI-CHUN

DR THE HONOURABLE SAMSON TAM WAI-HO, J.P.

MEMBERS ABSENT:

THE HONOURABLE ANDREW CHENG KAR-FOO

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

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

PUBLIC OFFICERS ATTENDING:

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

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

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

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

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

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

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

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

THE HONOURABLE MRS RITA LAU NG WAI-LAN, J.P.
SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT

CLERKS IN ATTENDANCE:

MS PAULINE NG MAN-WAH, SECRETARY GENERAL

MRS JUSTINA LAM CHENG BO-LING, ASSISTANT SECRETARY
GENERAL

MRS PERCY MA, ASSISTANT SECRETARY GENERAL

TABLING OF PAPERS

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

Other Papers

- No. 64 — Hong Kong Arts Development Council
Annual Report 2007/08
- No. 65 — Li Po Chun Charitable Trust Fund
Audited Financial Statements together with the Director
of Audit's Report and Report of the Trustee on the
Administration of the Fund for the year ended 31 August
2008
- No. 66 — Report of the Public Accounts Committee on the Reports
of the Director of Audit on the Accounts of the
Government of the Hong Kong Special Administrative
Region for the year ended 31 March 2008 and the Results
of Value for Money Audits (Report No. 51)
(February 2009 — P.A.C. Report No. 51)

ADDRESSES

PRESIDENT (in Cantonese): Address. Dr Philip WONG, Chairman of the Public Accounts Committee, will address the Council on the Committee's Report No. 51.

**Report of the Public Accounts Committee on the Reports of the Director of Audit on the Accounts of the Government of the Hong Kong Special Administrative Region for the year ended 31 March 2008 and the Results of Value for Money Audits (Report No. 51)
(February 2009 — P.A.C. Report No. 51)**

DR PHILIP WONG (in Cantonese): President, on behalf of the Public Accounts Committee (PAC), I have the honour to table to the Legislative Council the PAC Report No. 51 today.

The PAC Report tabled today corresponds with the 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 2008 and his Report No. 51 on the results of value for money audits, which were tabled in the Legislative Council on 26 November 2008.

The PAC Report contains three main parts:

- (a) the PAC's assessment of the actions taken by the Administration in response to our recommendations made in the PAC's previous Reports Nos. 48, 49 and 49A;
- (b) the PAC's observations on the Report of the Director of Audit on the Accounts of the Government for the year ended 31 March 2008; and
- (c) the conclusions reached by the PAC on the Director of Audit's Report No. 51.

On the Director of Audit's Report (Audit Report) No. 51, the PAC has, as in previous years, selected for detailed examination those chapters which, in our view, contained more serious allegations of irregularities or shortcomings. The Report tabled today covers the PAC's deliberations and results on three of the four chapters selected. The PAC has decided to defer a full report on the subject of "Emergency ambulance service", in order to allow itself more time to consider the various issues involved and the additional information provided by the witnesses. We will endeavour to finalize our report on this chapter at the earliest opportunity.

I now report the PAC's main conclusions and recommendations.

Regarding the chapter on "Administration of the DesignSmart Initiative", the PAC is particularly concerned about the corporate governance and administration of the Hong Kong Design Centre (HKDC). The PAC regrets that the HKDC is yet another government-funded organization found to have problems and inadequacies in corporate governance that has become the subject of a report by the Director of Audit and has required examination by the PAC in recent years.

The PAC is seriously concerned and finds it unacceptable that the HKDC's Board of Directors (Board), which is responsible for directing the development and operation of the HKDC and monitoring the performance of its management, has not properly discharged its responsibilities.

The PAC is also seriously concerned and finds it unacceptable that whilst the two government directors (namely, the Commissioner for Innovation and Technology and the Deputy Secretary for Home Affairs) on the Board may not carry a heavier weight than the other directors, they have together not been able to discharge the added dimension of their responsibilities as the guardian of public interest to ensure proper utilization of the public funds allocated to the HKDC.

The PAC notes that the Home Affairs Bureau intends to send a representative to sit on the Board in the capacity of an observer instead of a director. Nevertheless, the PAC is concerned as to how the single government director left on the Board can effectively safeguard public interest in dealing with any problems and inadequacies in the corporate governance of the HKDC.

As for the management of projects funded by the Design Support Programme (DSP), the PAC expresses great dissatisfaction and disappointment that the total number of projects which had benefited from the DSP was very much lower than that expected. Although the Commissioner for Innovation and Technology is responsible for administering the DSP, he has failed to strictly enforce the DSP funding guidelines and the DSP funding agreement. He has also failed to review the operation of the DSP periodically as undertaken by the Administration in seeking funding approval. This might have led to delays in identifying any areas for improvement that could help optimize the utilization of some of the funding schemes.

The PAC notes that the Government had devoted a large amount of money to promoting design in Hong Kong over the past five years. However, we are seriously concerned that there is a lack of outcome targets and indicators to evaluate the effectiveness of the Government's measures of promoting design in Hong Kong.

Regarding the subject of "Management of public markets", the PAC considers that, in addition to land and building costs, public markets also cost the Government some \$500 million a year to operate. They must therefore serve the

primary purpose of their existence, that is, providing active market services to members of the public, otherwise they will not justify the high building and operation costs. Besides, the Administration's policy on the provision of public markets should be conducive to ensuring that the public markets can give full play to their functions to effectively serve the needs of members of the public.

On the usage of public markets, the PAC is astonished and finds it inexcusable that although the problems of high vacancy rates, non-trading stalls and large operating deficits at some public markets had already been identified in the Audit Report No. 41 released in October 2003, such problems still persist at some markets, as revealed in the current Audit Report. Despite a lapse of five years since the last audit review, the Food and Health Bureau and the Food and Environmental Hygiene Department (FEHD) have made little progress in resolving the above problems. A review of the policy on the provision of public markets was only completed in late 2008, resulting in delay in devising new policy objectives and strategic measures which suit the present-day circumstances. There is a lack of clear government policy on the positioning, functions and subsidization of public markets.

The PAC does not accept the Secretary for Food and Health's view expressed at the public hearing that the core question to be examined by the Administration was whether or not to charge stall tenants the Open Market Rentals. We consider that this reflects the narrow mindset of the Administration in focusing mainly on the financial perspective in addressing the problems in managing public markets.

The PAC is surprised and finds it unacceptable that the Administration only proposed to adopt the criteria of "consistently high vacancy rate exceeding 60%" and "big deficits" for assessing the viability of a public market, without taking into account whether or not a market can provide active market services to members of the public.

The PAC does not accept the existence of subletting of market stalls at public markets and the Director of Food and Environmental Hygiene's view expressed at the public hearing that as long as the tenants and their registered assistants kept the subletting deal to themselves, it would be difficult for the FEHD to take action. This reflects a lack of resolve on the part of the Director

to tackle the problem. The PAC finds it unacceptable and inexcusable that the FEHD's control over stall subletting is inadequate and lax.

As for the planning of new public markets, the PAC is seriously dismayed and finds it unacceptable that the FEHD, after taking over the management responsibility for public markets from the then Urban Council in 2000, has failed to develop detailed guidelines on conducting comprehensive viability studies in planning new markets and, in planning and designing new markets, has simply followed established practices and procedures without taking into account the changing aspirations and needs of members of the public.

Regarding the chapter on "Reduction and recovery of municipal solid waste", the PAC expresses deep regret and sadness that the Secretary for the Environment lacks a sense of urgency and is not proactive enough in tackling the problem of municipal solid waste (MSW). Despite the target of reducing the quantity of MSW generated by 1% per annum as laid down in the document "A Policy Framework for the Management of Municipal Solid Waste", the amount of MSW generated in 2007 still exceeded the target quantity by 10.4%, and the Secretary has failed to demonstrate the Administration's commitment to achieve the MSW reduction target. Furthermore, while the MSW recovery rate target of 45% was achieved as early as in 2006, the Secretary made no further commitment to raise the target, and definite timetables have not been formulated for the provision of large-scale waste management facilities.

On the progress of MSW recovery, the PAC is seriously dismayed that in 2007, almost all of the putrescible waste was disposed of at landfills, which would shorten the lifespans of the landfills and generate leachate and landfill gas. Besides, in 2007, only 56% of paper waste and 57% of plastic waste were recovered, which means that significant quantities of paper waste and plastic waste have been disposed of at landfills.

President, I would like to point out that, since I took up the chairmanship of the PAC in 2004, this Audit Report is the only one of which the contents have not been covered in media reports before its tabling in the Council. This is indeed commendable.

At the same time, I would also like to point out that before the tabling of this Report, there have been newspaper reports on what appeared to be

deliberations made in the closed meetings of the PAC, including the conclusions to be made by the PAC, leading to the suspicion that the contents of such reports came from persons who are involved in the PAC's work. I have already reminded our members to observe the PAC's confidentiality undertaking and the PAC's established practice that we shall not make any public comments on an Audit Report before we present our report to the Council.

President, as always, the PAC has made conclusions and various recommendations in this Report with the aim of ensuring the achievement of value for money in the delivery of public services by the Administration and government-funded organizations.

Lastly, I wish to register my appreciation of the contribution made by the members of the PAC. Our gratitude also goes to the representatives of the Administration and other organizations who have attended before the PAC. The PAC is grateful to the Director of Audit and his colleagues, as well as the staff of the Legislative Council Secretariat, for their unfailing support and hard work.

Thank you, President.

ORAL ANSWERS TO QUESTIONS

PRESIDENT (in Cantonese): Questions. Question time normally does not exceed one and a half hours. After a Member has asked a main question and the relevant official has given reply, the Member who asks a question has priority to ask the first supplementary question. Other Members who wish to ask supplementary questions will please indicate their wish by pressing the "Request to speak" button and wait for their turn.

Members can raise only one question in asking supplementary questions. Supplementary questions should be as concise as possible so that more Members may ask supplementaries. Members should not make arguments when asking supplementary questions.

PRESIDENT (in Cantonese): First question.

Listed Chinese Medicine Practitioners

1. **DR PRISCILLA LEUNG** (in Cantonese): *President, according to the transitional arrangements under the registration system for Chinese Medicine Practitioners (CMPs), persons practising Chinese medicine on 3 January 2000 may have their names entered on a list as listed CMPs. Except those who have been practising for a specified period and/or have obtained the required academic qualifications and shall thus be granted exemption, listed CMPs are required to pass the Registration Assessment or Licensing Examination before they are qualified to apply for registration as registered CMPs. It has been noted that quite a number of listed CMPs are worried that they will be disqualified from practice in the future because they are unable to meet the above requirements, and thus will lose their means of living. In this connection, will the Government inform this Council:*

- (a) *of the latest number of listed CMPs and, among them, the number of those who had attempted the Licensing Examination but failed to obtain the qualification for registration;*
- (b) *whether or not the Government will directly subsidize listed CMPs to attend approved training courses and establish a Chinese medicine hospital in Hong Kong to provide internship opportunities for them, so as to help them obtain the qualifications for registration as early as possible; and*
- (c) *given that listed CMPs who had been practising Chinese medicine in Hong Kong continuously for not less than 15 years immediately before 3 January 2000 shall be exempted from the Licensing Examination and Registration Assessment and allowed to apply directly for registration as registered CMPs, whether or not the authorities will consider accepting the trade's suggestion of being in sympathy with the elderly listed CMPs as they have difficulties with the training and examinations, and allowing those whose length of practice in Chinese medicine reaches 15 years only after the above date to apply directly for registration as registered CMPs, or implementing other measures to facilitate their registration?*

SECRETARY FOR FOOD AND HEALTH (in Cantonese): President, the registration system for CMPs have been implemented since 2000 in accordance with the Chinese Medicine Ordinance (Ordinance). The Chinese Medicine Council of Hong Kong is the regulatory body set up under the Ordinance. Its Chinese Medicine Practitioners Board (Practitioners Board) is responsible for regulating the CMPs in Hong Kong.

The registration system for CMPs was an important issue in the drafting of the Ordinance. The Legislative Council discussed the matter in details, and the Government also consulted various sectors of the community, including the Chinese medicine sector. When introducing the statutory regulatory system of CMPs, the Government was aware that there were then quite a number of practising CMPs in Hong Kong. It therefore provided transitional arrangements under the Ordinance for these practising CMPs to continue their practice as listed CMPs in the interim while preparing for the examination to obtain the registration status.

In accordance with section 90 of the Ordinance, CMPs who were practising Chinese medicine in Hong Kong on 3 January 2000 could apply to the Practitioners Board for registration as listed CMPs under the transitional arrangements for registration of CMPs from 16 August 2000 to 30 December 2000. Having submitted his application, the applicant may continue practising Chinese medicine until his name has been removed from the list of listed CMPs maintained by the Practitioners Board; his application for registration has been refused; or such date as may be specified by the Secretary for Food and Health. In addition, based on their practising experience and academic qualifications, listed CMPs are allowed to get registration through three avenues specified in the Ordinance:

- (i) as at 3 January 2000, those CMPs with not less than 15 years of continuous practising experience, or with not less than 10 years of continuous practising experience and recognized academic qualifications, could get registration without having to go through any examination or assessment;
- (ii) as at 3 January 2000, those CMPs with at least 10 years of continuous practising experience but without recognized academic qualifications, or with less than 10 years of continuous practising

experience and recognized academic qualifications, could get registration by passing a one-off Registration Assessment; and

- (iii) other listed CMPs or those listed CMPs who have failed the abovementioned Registration Assessment are required to get registration through the Licensing Examination.

The Practitioners Board announced a total of 7 707 listed CMPs in December 2001. Since then, quite a number of listed CMPs have become registered CMPs through direct registration, the Registration Assessment or the Licensing Examination.

My replies to the three parts of the main question are as follows.

- (a) From 2003 to 2008, there were 1 565 listed CMPs who had taken the Licensing Examination. Among them, 647 passed the Licensing Examination and became registered CMPs. As at 31 January 2009, there were still 2 822 listed CMPs. Of these listed CMPs, 1 832 have never applied for taking the Licensing Examination.
- (b) Since the gradual implementation of the registration system for CMPs in 2000, local Chinese medicine associations have been organizing courses to help listed CMPs get registered. The fees of most of these courses are low, and some of these Chinese medicine associations have waived the fees for the students, having regard to individual circumstances.

In addition, to enhance the examination skills of the candidates (including listed CMPs), the Department of Health (DH) has organized talks on examination skills annually since 2003 to familiarize them with the format of the Licensing Examination, so as to help them better demonstrate their knowledge and skills in medicine in the examination. Since 2007, the DH has included a session on "common mistakes of candidates" in the talks. The DH will continue to organize such talks. At present, we have no plans to directly subsidize listed CMPs to attend training courses.

In the past few years, the Government has actively implemented the plan of setting up Chinese medicine clinics (CMCs). So far, 12

public CMCs have been established. Another two in Sha Tin and Cheung Sha Wan will come into operation in February and March respectively. Every public CMC is required to engage at least five graduates in Chinese medicine degree courses as junior CMPs, so as to provide them with training opportunities. We are open-minded to the proposal of setting up a Chinese medicine hospital. We will study it carefully and listen to views from the relevant professions.

- (c) In order to encourage the listed CMPs to take part in the CMP Licensing Examination, on the premise of not compromising the professional standard in Chinese medicine practice, the Practitioners Board has introduced some new arrangements in the examination in 2007, including:
- (i) allowing the candidates to retain a pass in any one paper of the written examination taken in or after 2007 for three years and to re-sit the other paper;
 - (ii) simplifying multiple-choice questions to single-choice questions in the written examination;
 - (iii) re-grouping the 20 subjects of the written examination into 13 subjects; and
 - (iv) allowing candidates to choose clinical cases to answer.

The transitional arrangements for the registration of CMPs were the result of adequate consultation and discussion by the various sectors of the community including the Chinese medical profession. The arrangements were established through the enactment of the Ordinance by the Legislative Council. Sections 93 and 94 of the Ordinance provide that only the continuous period of practice of Chinese medicine immediately before 3 January 2000 will be considered in assessing the practising experience of a listed Chinese medicine practitioner. The Practitioners Board also assessed the registration status of the listed CMPs in accordance with the Ordinance, and announced the assessment results in September 2002. To uphold the professional standards of the registered CMPs, safeguard public health and ensure the fairness and

impartiality of the transitional arrangements, the Administration has no intention to amend the relevant provisions. As indicated above, the listed CMPs can continue their practice until a date to be specified by me. I have no plan to specify this date at the moment.

DR PRISCILLA LEUNG (in Cantonese): *President, the Secretary said in part (b) of the main reply that there are 12 public CMCs now. Information shows that when Mr TUNG still held office as Chief Executive in 2001, he made an undertaking that there would be 18 public CMCs by the end of 2005. He had made such a promise.*

Even though there will be 18 public CMCs, the Secretary mentioned in the main reply that each CMC could only provide training opportunities to five graduates. This is far from meeting the demand in this regard. I hope the Secretary can answer this question. Is there any possibility that an open mode be adopted for the provision of research and employment opportunities in the proposed Chinese cum Western medicine hospitals, so that more training opportunities can be made available to students of Chinese medicine?

SECRETARY FOR FOOD AND HEALTH (in Cantonese): President, very often, the learning of Chinese medicine is traditionally pursued at clinics and so, there is an enormous need for clinics. At present, the three universities have set up their respective CMCs, so as to provide training to their students of Chinese medicine. In addition, since few CMPs in Hong Kong are willing to offer treatment at hospitals to patients in serious conditions, according to past experience, they frequently have to gain experience in providing residence services on the Mainland.

In Hong Kong, we hope to develop the profession of Chinese medicine by drawing on the practice of forensic examination. In particular, we hope that residence services can be developed by adopting an approach which involves both CMPs and Western medical practitioners (WMPs). At present, many public hospitals have launched various plans of co-operation between CMPs and WMPs in offering treatment to patients suffering from cancer or pains. Therefore, we hope to gradually step up the co-operation between them and provide extra facilities in this regard.

As regards public CMCs, we are aware that at present, employment opportunities of graduates are in fact not limited to these clinics. They may establish their own business as practising CMPs at private clinics or go into private practice with experienced CMPs. In addition, since we have enhanced the management of the profession of Chinese medicine, many graduates in Chinese medicine have already joined the DH or other relevant academic institutions to undertake the work in this regard.

Therefore, insofar as the present stage is concerned, I opine that graduates in Chinese medicine probably have many practising opportunities and their employment prospect upon graduation appears to be bright.

PROF PATRICK LAU (in Cantonese): *The Secretary mentioned in part (b) of the main reply that he was open-minded to the proposal of setting up a Chinese medicine hospital and studies on this would be conducted. In this connection, may I ask the Secretary, in his professional opinion, if he thinks that a timetable should be drawn up, so that we can have an idea as to when a Chinese medicine hospital will come into being?*

SECRETARY FOR FOOD AND HEALTH (in Cantonese): President, we do not have a clear timetable at this stage on when a Chinese medicine hospital will be set up. However, I hold that this must undergo different stages of development. This includes CMPs becoming willing to take over cases in which patients are suffering from critical illnesses, especially those life-threatening illnesses, and offer treatment to them. That they feel an obligation and have the ability to do so will render this possible.

The current practice is that CMPs can serve a great function in primary care services. However, insofar as in-patients are concerned, CMPs very often opt to co-operate with WMPs and we find this effective in some aspects, especially in terms of treating cancer patients or those cancer patients who have undergone chemotherapy, because they need continuous recuperation and CMPs can help them in some measure.

Second, CMPs can provide some form of assistance, such as acupuncture, in the treatment of some painful conditions, especially those considered by

WMPs to be intractable. Therefore, it is important to forge a partnership between CMPs and WMPs.

In the past, we had encountered some cultural problems of CMPs and WMPs refusing to accept each other. However, at present, some WMPs are at least willing to co-operate with CMPs while the latter also find it pleasing to work with the former. Therefore, we notice that various plans of co-operation in this regard have been underway in some hospitals, especially in those Hospital Authority hospitals. We hope that following the development of these plans, CMPs can bring into play their potentials and inquiring spirit in the face of life-threatening illnesses or rare diseases, so that development in this regard can continue. Granting this, we will consider allowing CMPs to shoulder the responsibility for rendering residence services on a larger scale.

DR PRISCILLA LEUNG (in Cantonese): *The Secretary mentioned just now that CMPs in Hong Kong very often had to go to the Mainland to conduct research involving both Chinese and Western medicine because the necessary facilities were only available there. However, members of the public hope that research in this regard can be carried out in Hong Kong, such that those CMPs would not have to practise Chinese medicine on the Mainland. Therefore, I think that there is such a need in society. Following up the supplementary I raised just now, I wish to further ask the Secretary this question. Every year, what is the proportion of graduates in Chinese medicine who are eligible for training but no training opportunities are available to them, that is, those who have not received training at the CMCs of the three universities or at those 12 to 14 public CMCs? At present, what is the proportion of those graduates who have no training opportunities? This is because at present, we want to increase employment and those graduates who hope to switch to other trades but have no practical training opportunities are not able to become practising CMPs.*

SECRETARY FOR FOOD AND HEALTH (in Cantonese): President, first of all, there are two forms of practical training. The first one is the practical training that CMPs receive prior to becoming registered CMPs. This is one form of training that they take. The second one is the employment opportunities they have after they have graduated and become registered CMPs. These two forms of training are different. At present, the three universities will offer them

pre-graduation training, including internship conducted at specified Chinese medicine hospitals on the Mainland. In this regard, there have been no problems at all.

Regarding the issues relating to their post-graduation employment mentioned by the Member, I have explained in the main reply that they may develop their career through different channels. This includes starting their practice at the 18 — there are only 12 for the time being, but the number will increase to 14 very shortly — public CMCs or going into private practice. In addition, Chinese medicine is also a discipline of great potential for development. Therefore, many CMPs engage themselves in the field of Chinese medicine and this includes working at pharmacies, research institutions, universities or the DH.

MR IP KWOK-HIM (in Cantonese): *President, we note in the main reply given by the Secretary that there are 2 822 listed CMPs so far in Hong Kong whilst the Secretary also mentioned that there was no plan at present to specify a date for discontinuing their practice. In fact, some time has lapsed since the registration examination for listed CMPs was implemented, for the purpose of allowing those who have passed the examination to register as registered CMPs. In the interim, we are aware that listed CMPs have not caused any major problems in their practice or consultation.*

Can the Secretary tell us whether or not the Government will consider not to set this deadline but continue to impose the present restrictions on the listed CMPs and adopt the approach of natural wastage, so that those listed CMPs who possess the necessary skills and knowledge but have not sat for the examination may continue their practice in this capacity, thereby serving members of the public? This is because many CMPs have actually acquired the necessary skills and knowledge through family apprenticeship or experience and that system may to some extent hinder the delivery of services rendered by CMPs to members of the public and that of patient services. Can the Government consider this and abandon the plan of specifying a date for discontinuing their practice?

SECRETARY FOR FOOD AND HEALTH (in Cantonese): *President, insofar as listed CMPs are concerned, I mentioned clearly just now that it was a transitional arrangement, in the hope that a clear registration system can be put in*

place in Hong Kong one day, so as to ensure that every CMP reaches a certain standard. We have allowed enough time for those listed CMPs who have not sat for the examination or obtained the qualifications concerned to sit for the examination. We have neither imposed any restrictions on nor specified a date for their so doing.

However, we are also aware that among these listed CMPs, some have already retired or switched to other trades and thus, they may not be engaging in this profession. We had conducted some studies and from that we identified the age profile of listed CMPs and other related situations. We noted that they were 60 years of age on average, with the eldest one among them being 98 years of age. Therefore, I believe some of the listed CMPs have almost reached the age of retirement, and those listed CMPs falling under this category may account for a greater number. I think that listed CMPs of a younger age should seize the present opportunity as best as they can. We have allowed some time, in the hope that they can apply to sit for the licensing examination at the earliest opportunity to become registered CMPs.

In addition, I also mentioned just now that some adjustments had actually been made on the premise of not compromising the professional standard, so as to make it easier for them to become qualified for practice. For example, candidates will not be required to choose several answers but one in multiple-choice questions. They are also allowed choices in the clinical examination. They are only required to choose one of the clinical cases that they find the most familiar and give an answer to it, without having to familiarize themselves with all the cases. I hold that all these adjustments can already help them prepare for the examination. If they still do not make good use of this opportunity, I believe their career may be adversely affected because 79 students of Chinese medicine are graduating every year, having undergone training for five years before graduation. Besides, many experienced CMPs from the Motherland will also participate in providing services in Hong Kong and this coincides with the development of the profession of Chinese medicine in Hong Kong. As a result, our standard will certainly become higher. Therefore, pressure will definitely be brought to bear upon those listed CMPs in this regard. That said, we still allow them to continue their practice for the time being, in the hope that they can actively face their future.

PRESIDENT (in Cantonese): We have spent more than 21 minutes 30 seconds on this question. Second question.

(Mr LEUNG Yiu-chung raised his hand to indicate an intention to speak)

PRESIDENT (in Cantonese): Mr LEUNG Yiu-chung.

MR LEUNG YIU-CHUNG (in Cantonese): *President, can you explain why Dr Priscilla LEUNG Mei-fun can ask a second supplementary while we do not even have the opportunity to ask a first supplementary? Can you give a brief explanation?*

PRESIDENT (in Cantonese): This is because Dr Priscilla LEUNG Mei-fun had only asked a few number of questions on previous occasions.

MR IP KWOK-HIM (in Cantonese): *If that is the case, can I follow up the supplementary I raised because the Secretary has not given any answer to it? In view of the fact that the Secretary did not do so just now, I had already risen and made a request to you*

PRESIDENT (in Cantonese): I think that the Secretary has given an answer. Moreover, we have spent almost 22 minutes on this question. If Members still have questions, please follow them up on other occasions.

PRESIDENT (in Cantonese): Second question.

Safeguarding Interests of Minority Shareholders and Investors

2. **MR KAM NAI-WAI** (in Cantonese): *President, at the court meeting and extraordinary general meeting (EGM) of the PCCW Limited (PCCW), a listed company, reconvened on the 4th of this month, the privatization proposal made by two major shareholders were voted upon and approved. The High Court will*

hold a hearing on whether sanction will be given to the Scheme of Arrangement for privatization. Yet, some members of the public and PCCW minority shareholders queried that improper share transfer had taken place before those meetings in an attempt to manipulate the voting results. It has been reported that the Securities and Futures Commission (SFC) also took away the voting records immediately after the EGM and commenced an investigation into the incident. The above incident has aroused public concern about how the Government safeguards the interests of minority shareholders and investors. In this connection, will the Government inform this Council:

- (a) how it will assist the PCCW minority shareholders in knowing the results of the SFC's investigation and clarifying their doubts and concerns before the High Court's substantive hearing; and whether it knows if the SFC will request the High Court to suspend the sanction of the Scheme of Arrangement before completion of the SFC investigation;*
- (b) whether it will review the procedure and requirements for the privatization of listed companies with a view to better protecting the interests of minority shareholders; if so, of the details; and*
- (c) whether it will study amending the law so that minority shareholders whose interests have been compromised may claim damages from the relevant parties by way of group litigation?*

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): President, as this question involves a number of technical issues, I would like to provide a more detailed and complete answer, so my main reply will be rather lengthy.

- (a) The SFC has been monitoring the latest developments of the PCCW incident. The SFC took possession of the voting records of PCCW's Court meeting and the EGM held on 4 February and are now conducting further inquiries. Section 378 of the Securities and Futures Ordinance (SFO) provides that the SFC has to preserve secrecy with regard to any matter coming into its knowledge in the performance of its functions. Meanwhile, the scheme proposal is still pending the verdict of the Court and subjudice. Hence, it is not

appropriate for the SFC to comment publicly on the progress of its inquiries or the possible outcomes. The SFC will fully discharge its statutory obligations in performing its functions in accordance with the provisions of the SFO.

- (b) At present, privatization of a listed company has to be conducted under the relevant provisions of the Companies Ordinance and in compliance with the Codes on Takeovers and Mergers (Codes) issued by the SFC under the SFO.

Generally speaking, a listed company can be privatized by way of a Scheme of Arrangement or a General Offer. If it is conducted through a General Offer, under section 168 of the Companies Ordinance, once an offeror has obtained acceptances which in aggregate represent not less than 90% in value of shares for the offer is made within four months after submitting the initial offering documents, he may opt to exercise his power to compulsorily acquire securities to have the offeree company privatized. The Codes further require that the shares acquired by the offeror, together with the total shares purchased by the offeror and his concert parties within four months after posting of the initial offering documents, should amount to 90% of the disinterested shares.

As regards privatization conducted through a scheme of arrangement, in accordance with section 166 of the Companies Ordinance, the company concerned has to apply to the Court and convene a meeting in a manner as directed by the Court to put the scheme of arrangement to shareholders' vote. At such meeting, not only approval for the scheme of arrangement has to be obtained from shareholders, representing three fourths of voting rights, present and voting either in person or by proxy, approval also has to be obtained from over half of the shareholders present and voting either in person or by proxy, and that the scheme of arrangement shall take effect only after the valid voting result has been sanctioned by the Court.

The Codes further require that where any person who seeks to use a scheme of arrangement to acquire or privatize a company, the scheme must, in addition to satisfying any voting requirements imposed by law, be approved by at least 75% of the voting rights

attached to the disinterested shares that are cast either in person or by proxy at a duly convened meeting of the holders of the disinterested shares. In addition, the number of votes cast against the resolution to approve the scheme at such meeting must not be more than 10% of the voting rights attached to all disinterested shares.

We believe that the above requirements have struck a balance among the interests of various shareholders. For the pursuance of privatization proposal through a scheme of arrangement, the Companies Ordinance's requirement that support for the proposal must be obtained from over half of the shareholders mainly is to protect the interests of minority shareholders. Such requirement is similar to that adopted in other common law jurisdictions such as the United Kingdom, Australia and Singapore.

As a matter of fact, the Codes stipulate that the number of votes cast against the resolution shall not be more than 10% of the voting rights attached to all disinterested shares. This requirement, which renders additional safeguards for minority shareholders, is not provided by places adopting similar rules on takeovers and mergers such as the United Kingdom, Australia and Singapore.

Apart from the above requirements protecting minority shareholders, at present, the Companies Ordinance and the SFO have empowered shareholders and the SFC respectively to apply to the Court by petition to seek remedies.

According to section 168A of the Companies Ordinance, any member of a company can make an application to the Court by petition if he considers that his interests have been unfairly prejudiced. If the Court consents to the petition, it may grant appropriate remedies, including making an order restraining the company concerned to continue such conduct, appointing a receiver to manage the company's property or business and awarding damages to such members, and so on.

In addition, section 214 of the SFO provides that if there is evidence showing that the listed company concerned or its management has conducted its business or affairs in an unfair manner prejudicial to

other members, the SFC may, after consulting the Financial Secretary, by petition apply to the Court for an order restraining the unfair act concerned and granting other remedies. Also, under section 385 of the SFO, where there are any judicial or other proceedings (other than criminal proceedings) which concern a matter relating to its functions, the SFC may, after consultation with the Financial Secretary, apply to the Court to intervene in the proceedings, if it is satisfied that it is in the public interest for the SFC to do so.

We are in the course of rewriting the Companies Ordinance. One of the objectives of the rewrite exercise is to strengthen corporate governance and enhance the protection for the interests of minority shareholders. In the process of the rewrite exercise, we have also reviewed the requirements for takeovers and mergers in the Companies Ordinance and consulted the Standing Committee on Company Law Reform (SCCLR) and relevant Advisory Group comprising professional bodies, business organizations, regulatory bodies and academics. The SCCLR and the advisory groups considered that the relevant provisions of the Companies Ordinance and the Codes have been generally working well. They have nonetheless recommended some technical amendments to individual provisions of the Companies Ordinance to enhance clarity. The proposals concerned are set out in the SCCLR Annual Report for 2007-2008 which was publicized in early December 2008. The report is available for public reference at the Companies Registry's website. Relevant amendments will be incorporated into the bill which is being drafted. We plan to conduct public consultation on the draft provisions of the bill in the fourth quarter of this year.

- (c) "Class action" is a procedure which enables the claims of a number of persons against the same defendant to be determined in a single suit. In a class action, a representative plaintiff sues on his own behalf and on behalf of the other persons (the class) who have a claim to a remedy for the same or a similar alleged wrong to that alleged by the representative plaintiff, and who have claims that share questions of law or fact in common with those of the representative plaintiff.

The Law Reform Commission established a "class action" sub-committee in November 2006 to consider whether a scheme for multi-party litigation should be adopted in Hong Kong and, if so, to devise a suitable scheme. The sub-committee hopes to consult the public on its proposals later this year and will submit them to the Administration thereafter.

MR KAM NAI-WAI (in Cantonese): *President, in this incident, many small PCCW shareholders were infuriated as those stocks might have been held by them as early as the Hong Kong Telecom era, and they questioned whether PCCW has corporate ethics. The chairman of PCCW made this somewhat low-priced privatization proposal, does he have the ethics of an entrepreneur? Of course, it is not merely a matter of corporate ethics; it also leaves many people doubtful about whether it was a legitimate procedure. A lot of small shareholders told us that as the shares they bought were either put in the bank or securities firms, they were therefore unable to attend the February 4 meeting and vote, as they were not eligible to do so. How will the Government assist this group of small shareholders to restore their voting rights? How will the Government restore the legitimate voting rights of these small shareholders during the review?*

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): As regards Mr KAM's supplementary question, the SFC had in fact received complaints about the EGM of PCCW held on 4 February. As I said earlier, the SFC has taken possession of the voting records of PCCW's Court meeting and the EGM held on 4 February. As to other complaints, the SFC will follow them up in accordance with the established procedures.

PRESIDENT (in Cantonese): Mr KAM, has your supplementary question not been answered?

MR KAM NAI-WAI (in Cantonese): *President, what he has not answered the point about 4 February, that is, many small shareholders of PCCW had deposited their shares with the banks and securities firms, thus they*

PRESIDENT (in Cantonese): Please raise your supplementary question as soon as possible.

MR KAM NAI-WAI (in Cantonese): *How will the Government help them to restore their voting rights, so that they can cast their votes? This is my supplementary question.*

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): I have already answered this supplementary question, that is, the SFC will follow up the complaints.

PRESIDENT (in Cantonese): Honourable Members, a total of nine Members are waiting for their turns to ask supplementary questions. Since the Secretary's main reply was rather lengthy, I will give more time to this question, so that more Members can raise supplementary questions. Will Members and the Secretary please make their supplementary questions and replies as concise as possible.

MR CHIM PUI-CHUNG (in Cantonese): *President, may I ask the Secretary whether it will be a violation of the criminal laws of Hong Kong for the majority shareholder to give away his shares to other people and to commit the so-called "vote rigging" activities?*

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): The SFO has not specified the offence of "vote-rigging", but under section 300 of the SFO, if a person acts with intent to defraud or deceive in a transaction involving securities trading, he commits an offence and is liable to a fine of \$10 million and to imprisonment for 10 years upon conviction. The SFC may initiate a prosecution against a person who contravenes section 300 of the SFO.

MR CHIM PUI-CHUNG (in Cantonese): *Will the Secretary clearly explain whether a major shareholder violates the law in giving away his shares?*

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): President, I have answered this supplementary question.

MR CHIM PUI-CHUNG (in Cantonese): *The Secretary did not answer the question about giving away shares; he only answered the situation in relation to "vote rigging".*

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): I said that under section 300 of the SFO, if a person acted with intent to defraud or deceive, the SFC would take follow-up action.

MR ALBERT CHAN (in Cantonese): *President, the fact that PCCW gobbled up Cable and Wireless was already one of the greatest frauds of the century which took place in Hong Kong. It can be said that the current privatization is a continuation of this monumental fraud. The reputation of Hong Kong's financial system as a whole has been undermined; the interests of minority shareholders and small shareholders have been infringed. As a senior member of the Government, the Secretary's reply was nothing but technocratic language. As to the question of public interests and social justice, he has not responded in any way to the question about the reputation of the entire financial system of Hong Kong and the rights and interests of small shareholders.*

PRESIDENT (in Cantonese): Mr CHAN, please come to your supplementary question direct.

MR ALBERT CHAN (in Cantonese): *President, my question was whether he had the responsibility to protect the interests of small shareholders in his capacity as the Secretary. He has not responded to the supplementary raised by Mr KAM*

Nai-wai just now, his reply was a complete mess. Does he consider that, as far as this incident is concerned, he has mishandled the matter? Should he take the blame on himself and resign?

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): I gave a lengthy reply in response to the Member's question earlier just because I wished to make a comprehensive exposition of those technical issues. With regard to the question of protecting the rights of minority shareholders, insofar as acquisition, merger proposals and privatization under the Companies Ordinance are concerned, we considered that the current arrangements could more or less balance the interests of the two after review. As to some situations in which fraud may be involved, including the possibility of "vote rigging" or giving away votes, and so on, as mentioned by Mr CHIM, I have already given a detailed explanation on the current provisions of the law. I know that the SFC is exerting every effort in the investigation of this case.

MR ALBERT CHAN (in Cantonese): *President, I asked the Secretary about protecting the rights of minority shareholders, OK? He did not protect the rights of minority shareholders; shall he take the blame and resign?*

PRESIDENT (in Cantonese): Mr Albert CHAN, I believe the Secretary has answered your supplementary.

MR JAMES TO (in Cantonese): *President, may I ask if the Government, in particular the SFC, has not exercised the statutory power of investigation at the critical time to ascertain the facts and to help minority shareholders and the Court to determine whether the EGM or the conditions laid down by court proceedings were conducted in an equitable manner or complied with, should members of the SFC be paid the emoluments? If the Secretary has implied that instead of allowing the SFC, which has the coercive power and thereby the investigation power to carry out a thorough investigation with a view to assisting the Court, minority shareholders should take legal actions in accordance with section 168A of the Companies Ordinance, was he negligent of his duties?*

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): Mr TO, I have explained all of the aspects in the main reply just now. With regard to the legal basis referred by the SFC, I have mentioned two provisions, one of them being section 214 and the other section 385 of the SFO. Insofar as these two provisions are concerned, the SFC may follow up the case under these circumstances. I have already given a very clear explanation in the main reply, there is no need for me to repeat the details. Nevertheless, the SFC may deal with any matter involving fraud by virtue of the power and functions conferred on it by the law, or if public interests are involved, the SFC may follow up the incident by virtue of section 385.

PRESIDENT (in Cantonese): Mr TO, has your supplementary question not been answered?

MR JAMES TO (in Cantonese): *President, my supplementary question was about the critical moment, that is, the crucial moment for the SFC to conduct the investigation and to provide the Court and minority shareholders with*

PRESIDENT (in Cantonese): You only have to point out the part that has not been answered by the Secretary.

MR JAMES TO (in Cantonese): *President, what I said was to provide the information at the critical moment. It is useless if it is a judgment made with the benefit of hindsight, that is, to provide the necessary information after the matter is over.*

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): I understand Mr TO's supplementary question. I would like to point out that with regard to the investigation of individual cases, please forgive me for not being able to make any comment. I believe the SFC will act in accordance with the law.

MR CHAN KAM-LAM (in Cantonese): *President, before I raise my supplementary question, I have to declare my interest first. I am also a minority shareholder of PCCW, but I really only have a very small number of shares. After the board of directors of PCCW made the decision on the privatization of the company, it distributed some*

(Mr James TO rose)

PRESIDENT (in Cantonese): Mr James TO, is it a point of order?

MR JAMES TO (in Cantonese): *President, I would also like to declare my interest, I am also a majority shareholder of PCCW.*

MR CHAN KAM-LAM (in Cantonese): *Are you a majority shareholder?(Laughter)*

President, let me start my supplementary question from the beginning. After the board of directors of PCCW made the decision on the privatization of the company, special dividends exceeding \$18 billion were paid to its shareholders, with some \$2 billion in excess of the amount needed for the acquisition of shares held by minority shareholders. As to this approach, of course the market criticized that it was unethical to pocket the money of small shareholders. May I ask — as far as protecting the interest of minority shareholders is concerned, although just now the Secretary has elaborated on each major measure and every aspect, and we can see that something like "vote rigging" has emerged — if "vote rigging" or giving away shares as gifts is not considered fraudulent, or it does not involve fraudulent practice as suggested in the Secretary's reply, then what measure the Government has in place to protect the interests of small shareholders?

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): I shall try to make it simple. I mentioned in the main reply that our laws and mechanisms regulating privatization are much harsher than that of other similar regions. I wish to point out that, apart from the Companies Ordinance,

we also have some additional conditions imposed by the Code. As to the case mentioned by Members just now, I am afraid I cannot speak on behalf of the SFC regarding its investigation. However, I would like to point out that if we look at the authority conferred on the SFC by the laws, according to the two provisions I have just mentioned, such as section 214, if any prejudice is caused to other companies by the management of a listed corporation, the SFC may, after consultation with the Financial Secretary, take the follow-up action; and section 385 is related to public interest. I have explained the relevant legal basis; I believe the SFC and the Government will attach great importance to the interest of minority shareholders.

MR RONNY TONG (in Cantonese): *President, sometimes when the majority shareholders try to privatize a listed company, such cost will be borne by the company, but if minority shareholders wish to challenge or make a petition, they have to bear the cost. May I ask the Secretary whether this arrangement is extremely unfair? If so, what changes can be made to the system to better protect the interest of minority shareholders?*

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): I do not know whether Mr TONG was referring to class action? Is he referring to this? I do not quite understand his point?

MR RONNY TONG (in Cantonese): *President, the whole process is a legal process. The Secretary has pointed out in his reply the rights of minority shareholders in the proceedings, that they might present a petition to the Court, they might challenge this and that, but the Secretary did not mention the fact that these procedures also involve costs and charges.*

PRESIDENT (in Cantonese): Please raise your supplementary question.

MR RONNY TONG (in Cantonese): *President, the Secretary did not seem to have listened to my question carefully. The Secretary asked me if I was referring to legal proceedings. In fact, the whole process is a legal process. I*

asked the Secretary whether or not the Government had the responsibility to make, as far as the system is concerned, an arrangement which would strike a balance between the interests of both sides, so that minority shareholders need not pay huge legal fees for making a petition or challenge, and instead such fees would be paid by the company?

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): OK, I understand, I wish to thank the Honourable Member for the clarification.

Under section 213 of the Code — I have not brought with me the detailed information — but under this provision, the majority shareholders shall have to pay the fees and charges under certain circumstances, and I have also mentioned in the reply earlier that the SFC would have a role to play.

MR RONNY TONG (in Cantonese): *President, this is not the case in the current situation. I hope the Secretary will consider making it explicit in the legislation that when minority shareholders make a petition or challenge, it should be left to the law, left to the company*

PRESIDENT (in Cantonese): Mr Ronny TONG, you should only repeat the part which has not been answered by the Secretary. As to what you consider the Secretary should do, I think you should express such views on other occasions.

MR RONNY TONG (in Cantonese): *Thank you, President.*

PRESIDENT (in Cantonese): We have spent more than 24 minutes on this question. I will allow one last supplementary question from Members.

MR LEUNG KWOK-HUNG (in Cantonese): *President, having heard the Secretary's reply, I consider that he has actually not answered the supplementary question raised by Mr CHIM Pui-chung, which is precisely the focus of concerns*

of the entire society, that is, Richard LI has been manipulating the voting of minority shareholders by means of giving away shares and other means. The Secretary said that

PRESIDENT (in Cantonese): Please ask your supplementary question as soon as possible.

MR LEUNG KWOK-HUNG (in Cantonese): *Yes. I arrived at the venue the other day, and the venue was heavily guarded. I only wished to present a letter to Richard LI. At that time, I cried out loudly: "Richard LI, you thief, swindler, abductor and cheater; 0008 (the stock code of PCCW), you are ruthless and devoid of God's law and human feelings."*

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

MR LEUNG KWOK-HUNG (in Cantonese): *Now I just wish to ask him to make a single comment, and such a comment should be objective. PCCW had resorted to bribery and fraudulent means to achieve the purpose of privatization. May I ask the Secretary if he will deal with the matter seriously? He should not only request the SFC to deal with the matter, but he should also ask Financial Secretary John TSANG to urge the SFC to look into the matter, as well as to see if he should inform the ICAC to take care of the matter just as the way it dealt with the CITIC Pacific incident. Will the ICAC intervene? Will the Government report the case to the police? Should I report the case to the police?*

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): President, the Government is very determined to protect the interests of small investors. Insofar as this case is concerned, the SFC will act in accordance with the law.

MR LEUNG KWOK-HUNG (in Cantonese): *President, the Secretary did not answer my question. Has the Secretary informed the ICAC Commissioner, Timothy TONG?*

PRESIDENT (in Cantonese): I think the Secretary has answered the supplementary, let me see if the Secretary has anything to add.

(Mr LEUNG Kwok-hung remained standing)

MR LEUNG KWOK-HUNG (in Cantonese): *President, the Secretary did not say that*

PRESIDENT (in Cantonese): Please sit down first.

MR LEUNG KWOK-HUNG (in Cantonese): *Has the Secretary notified Commissioner Timothy TONG? Has he? If not, I will make the report tomorrow.*

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

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): President, the SFC will act in accordance with the law.

PRESIDENT (in Cantonese): Third question

Enhancing Co-operation Between Service Industries in PRD Region and Hong Kong

3. **MR WONG TING-KWONG** (in Cantonese): *President, in December last year, the State Council scrutinized and endorsed in principle the Outline of Pearl River Delta Regional Plan on Reformation and Development (2008-2020) (the*

Outline), which states that support will be given to the Pearl River Delta Region to conduct "in-depth co-operation" with Hong Kong and Macao in modern service industries, with focus on the development of 10 industries including finance and convention and exhibition service, and so on, as well as heightening the mutual recognition of the professional qualifications for the banking, securities, insurance, appraisal, accounting, law, education and medical service industries in order to create the conditions for developing service industries. The Government has also indicated that it will strive for the early and pilot implementation of more liberalization measures in Guangdong under the framework and provisions of the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA). In this connection, will the Government inform this Council:

- (a) *when it will discuss with the Guangdong provincial authorities further liberalization of the service industries, how it will implement the proposals of the Outline relating to promoting closer co-operation between Guangdong and Hong Kong, and of the specific ideas and suggestions for mutual recognition of professional qualifications;*
- (b) *how it will strive to further lower the threshold for Hong Kong's service industries to enter the Guangdong market, with a view to creating more business opportunities for local small and medium sized enterprises; and*
- (c) *whether it has assessed the impact of such in-depth co-operation among Guangdong, Hong Kong and Macao on the economic development and employment opportunities in Hong Kong; if it has, of the findings?*

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Cantonese): President, since the signing of CEPA in June 2003, the two sides have adopted a progressive approach to expand the scope for liberalization, with a view to bringing about mutual benefits to both places. In July last year, the Mainland and Hong Kong signed Supplement V to CEPA and announced a package of liberalization and facilitation measures for early and pilot implementation in Guangdong Province (Guangdong-pilot measures) to deepen

co-operation in service industries between the two places, (especially between Guangdong and Hong Kong).

As for part (a) of Mr WONG's main question, the Hong Kong Special Administrative Region (SAR) Government has already commenced consultation with the Central People's Government on CEPA and hopes to reach agreement over the content of a new Supplement to CEPA as soon as possible this year. In the current round of consultation, we have taken note of the proposal for deepening co-operation over modern service industries in the Outline. We have also maintained close liaison with the Provincial Government of Guangdong with a view to proactively considering and seeking more liberalization measures for early and pilot implementation, so as to further the development of Hong Kong service industries in the Pearl River Delta Region and Guangdong Province.

Regarding mutual recognition of professional qualifications, the Mainland and Hong Kong are committed to enhancing the access of Hong Kong professional services to the mainland market under the CEPA framework. We also encourage professional bodies of both sides to pursue mutual recognition of professional qualifications and to foster exchanges among professional and technical talents.

Under the framework of CEPA, Hong Kong and the Mainland have reached agreements or arrangements on mutual recognition of various professional qualifications in the construction, securities and futures, and accounting sectors. In January this year, the Estate Agents Authority and the China Institute of Real Estate Appraisers and Agents signed a Memorandum of Understanding, and agreed to promote the exchange of technical talents and mutual recognition of qualifications. Besides, CEPA also facilitates exchanges among professionals between the Mainland and Hong Kong, and enhances the access of Hong Kong professionals to the mainland market. This includes allowing Hong Kong professionals to take mainland qualification examinations to obtain relevant professional qualifications in the Mainland. At present, people from over 40 Hong Kong professional or technical disciplines under various service sectors (including legal, insurance, medical and dental, tourism, and so on) can sit for the professional qualification examinations in the Mainland.

Under the CEPA framework, the Government will continue to pursue the work of mutual recognition of professional qualifications, and strive for

nationwide implementation. Where necessary and for specific individual sectors, the Government will examine the feasibility of pursuing mutual recognition of professional qualifications in Guangdong Province on a pilot basis. The Government will continue to maintain close liaison and dialogue with different professional bodies, and encourage them to have exchanges with their mainland counterparts. The Government will make public announcement as and when there are concrete outcomes.

As for part (b) of the main question, under CEPA and the Supplements thereto, Hong Kong service suppliers enjoy preferential treatments for entering the Mainland market in 40 service areas. Many of them involve lowering of entry threshold and are applicable nationwide (including Guangdong Province). Supplement V to CEPA and Guangdong-pilot measures provide for lowering of market access requirement in service areas of medical and dental, printing, placement and supply services of personnel.

Under the current round of CEPA consultation, the SAR Government will continue to strive for more preferential treatment in areas where Hong Kong has a competitive advantage, in particular liberalization measures for early and pilot implementation in Guangdong, with a view to creating more business opportunities for Hong Kong enterprises of various types (especially small and medium enterprises) and in various service areas.

On part (c) of the main question, the Guangdong-pilot measures have facilitated not only investment in the service industries in Hong Kong and Guangdong, but also created additional job opportunities in both places for Hong Kong residents. In the long run, these measures enhance our attractiveness to overseas investors, strengthen Hong Kong's role as Guangdong's service provider, partner in the regional and global markets, and investment intermediary. This will bring about positive and constructive impact on the long-term economic development of Hong Kong and help create more job opportunities.

Most of the Guangdong-pilot measures came into force only at the beginning of this year. Our work priority is to ensure effective implementation of these measures so that the trade can enjoy the benefits as soon as possible. At the same time, we endeavour to further broaden and deepen the scope of liberalization and co-operation. The SAR Government has not yet conducted at

this stage any assessment of deepening Guangdong-Hong Kong co-operation in service industries on the Hong Kong economy and employment.

MR WONG TING-KWONG (in Cantonese): *President, it is mentioned in the Outline that the convention and exhibition industry of the Pearl River Delta Region has to be in co-ordinative development with that of Hong Kong. Has the Government liaised with the Guangdong provincial authorities on how Guangdong and Hong Kong could assume different roles as far as the convention and exhibition industry is concerned? Would the Government consider ways to bring Hong Kong's competitive advantage into play, forging it into a global brand, and promoting to the Mainland this city of exhibitions whose curtain is never down?*

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Cantonese): I would like to thank Mr WONG for the supplementary question. As regards the convention and exhibition industry, according to Supplement to CEPA, service providers from Hong Kong are allowed to offer exhibition and convention services through sole proprietorships. At the same time, convention and exhibition enterprises set up by Hong Kong in the Mainland are allowed to come to Hong Kong and Macao for operation of exhibition services. Besides, we would put the Guangdong-pilot measures into implementation in certain cities of Guangdong Province. I reckon that the convention and exhibition industry is a service industry of extremely great potentials in which reinforcement in co-operation with Guangdong Province could be sought.

MR CHAN KIN-POR (in Cantonese): *My supplementary question is: What progress has there been with regard to the Government's discussion with the Mainland on lowering the threshold for Hong Kong's insurance industry to enter the Mainland market (including Guangdong Province)?*

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Cantonese): I would like to thank Mr CHAN for the supplementary question. We have been following up proactively with the discussion on the entrance threshold of the insurance industry into the Mainland; as regards the announced discussions should be held on specific measures of implementation and

specific regulations. In fact, most of the announced measures relating to service industries, including specific laws and regulations, and so on, have been introduced. However, under certain circumstances, we still have to work out the details with the departments concerned. Then we would further follow up with the sectors measures that have been implemented.

DR SAMSON TAM (in Cantonese): *More and more workers from the service industry head for Guangdong Province or the Mainland for work, and this is believed be to the trend. However, though they work in the Mainland, many of them are concerned that since welfare and protection upon retirement in Hong Kong are better than that in the Mainland, they would return to Hong Kong for the welfare benefits after retirement. I would like to raise a supplementary question for the Secretary on this issue. Since they would be paying mainland income tax and would not have to pay income tax in Hong Kong, would the Government discuss with the Guangdong authorities regarding the taxation issue, especially the issue of personal income tax? In this regard, has the Secretary discussed with the mainland authorities about*

PRESIDENT (in Cantonese): Dr TAM, how is your supplementary question related to the content of the main question?

DR SAMSON TAM (in Cantonese): *This is in fact an obstacle. Though the pilot measures enable professionals from Hong Kong to work in the Mainland, the tax issue remains an obstacle for them perhaps I should rephrase my supplementary question in this way: if the tax rate in the Mainland is 40% or 50%, would the Government discuss with the mainland authorities on allowing professionals who work in the Mainland to pay only Hong Kong tax but not Mainland tax, thereby lessening the obstacle for them going to the Mainland for work?*

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Cantonese): President, the taxation issue is not an area covered by the CEPA framework. Hence, I do not have any comment at this stage.

PRESIDENT (in Cantonese): Mr TAM Yiu-chung.

MR TAM YIU-CHUNG (in Cantonese): *President, I did not press the speak button; it was pressed by Mr LAU Kong-wah.*

PROF PATRICK LAU (in Cantonese): *President, architects are the first among the professionals to promote the mutual recognition agreement; but according to part (b) of the main reply, they have not been able to set up businesses in the Mainland. I earnestly hope that pilot implementation for this industry could be initiated in Guangdong Province; however, likewise, the result could not be estimated. In fact, architects from Hong Kong have designed quite a number of buildings in the Mainland, but why could they still not practise in the Mainland even after such a long time? I hope the Secretary could provide a better answer for the architects. We are the first batch of "pioneers" in the Mainland; why is it that dentists and those from the printing industry have been granted the opportunity but not architects?*

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Cantonese): President, as stated by Prof LAU, the construction industry had in fact been included in the CEPA framework long ago. That includes mutual recognition of professional qualifications, and even the provision of certification of architect qualification, registration and practice examinations. However, since there are various professions under the construction industry umbrella, I could not provide views on all of them. These various professions include structural engineers, project supervision, and so on. Therefore, regarding the process of allowing professionals to practise in the Mainland, much would still have to depend on the requirements of individual professions, as well as consideration among the related professional bodies. Implementation could take place only after vetting and approval is conducted by the relevant departments.

As stated in the main reply, measures for the early and pilot implementation scheme of Guangdong Province came into effect only on 1 January, and now, with regard to specific laws, regulations, and specific circumstances regarding implementation, we gradually have to apart from launching the measures, how are we going to conduct follow-ups and implementation? We have to follow up the matter with the relevant professional

bodies and departments concerned before further progress could be made. We hope to speed up the progress through maintaining close liaison with the professional bodies in Hong Kong and the relevant Policy Bureaux so that the industry views could be fully reflected.

MS MIRIAM LAU (in Cantonese): *There has indeed been certain progress in mutual recognition of professional qualifications and the sitting of professional examinations. However, the general comment is that the result has been far from satisfactory. Since it is mentioned in the Outline that "in-depth co-operation" has to be conducted, the supplementary question I would like to raise is: With regard to addressing issues like the mutual recognition of professional qualifications, what is the understanding of the SAR Government regarding "in-depth co-operation"? And what is the understanding of the mainland authorities or the Provincial Government of Guangdong of "in-depth co-operation"?*

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Cantonese): President, the Outline is a long-term development strategy at a nationwide level. Therefore, it would be of great significance if, in promoting close co-operation between Guangdong and Hong Kong, strategies for development could be elevated to the nationwide level. Besides, the strength that Hong Kong could exert upon the economy of the Pearl River Delta Region would further be acknowledged. As for the in-depth co-operation mentioned by Ms LAU, we note in particular that some of the items in the scope of development in the Outline are closely related to the Hong Kong economy in such areas as infrastructure facilities, service industries, reinforcement of co-operation among industries, people's livelihood and environmental protection, and so on, which are all highly important directions in the long-term development of the Hong Kong economy. Therefore, regarding the implementation of the Outline, the Chief Secretary for Administration had led a team to the Mainland last month for initial contact with the Provincial Government of Guangdong on ways to implement and promote the Outline. In the next stage, we would contact Guangdong Province and Macao — since Hong Kong and Macao are included in the Outline — for further promotion. Our initial contact indicated that constructive efforts in promoting in-depth co-operation by the two sides had

been carried out in various aspects. I anticipate that there would soon be further announcement regarding the co-operation between Guangdong and Hong Kong.

MR PAUL TSE (in Cantonese): *President, talking about CEPA, very often we hear such wordings as "mutual benefits", "co-operation", "win-win", and so on; but I am afraid they are not manifested in the tourism industry at all. Currently, there is almost no threshold of any kind for setting up travel agencies in Hong Kong. However, the threshold for Hong Kong agencies to operate in the Mainland is very high. For example, \$40 million in business turnover or an \$2.5 million operating capital are required of them before any relations for co-operation with the Mainland could be set up. In the second paragraph of part (b) of his main reply, the Secretary pointed out that Hong Kong would strive for more preferential treatment in areas where it has a competitive edge to enable early and pilot implementation for small and medium enterprises in Guangdong Province. This suits our travel agencies best in assuming a leading and model role for the industry's progress in the Mainland. Since its opening, there has been tremendous progress in the hotel industry in the Mainland in recent years. In this regard, in the spirit of mutual benefit, could the Secretary reinforce the endeavour to secure opportunities for our travel agencies to set up businesses in the Mainland so that instead of just operating the Hong Kong-Macao tours, they could bring customers from the Mainland to the whole world?*

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Cantonese): President, I would like to thank Mr TSE for his concern about the development of the tourism industry. In this aspect, Supplement V to CEPA 2008 allows Hong Kong permanent residents to sit for the qualification examination for mainland tourist guides with their Chinese citizenship — I believe Mr TSE is aware of this arrangement as well. Upon passing the examination, they could obtain the qualification certificate for "tourist guide" in accordance with the relevant regulations. In the discussion on measures for opening up the tourism industry in CEPA this year, we hope to keep up with our endeavours in obtaining qualification of Mainland outbound tour-leader for Hong Kong residents. This is what we are going to promote next, and I believe travel agents in Hong Kong would support this.

MR PAUL TSE (in Cantonese): *My supplementary question is not about agent issues; it is about the Hong Kong tourism sector setting up businesses in the Mainland. It is not as simple as individuals becoming tourist guides.*

PRESIDENT (in Cantonese): That is clear. Secretary, do you have anything to add?

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Cantonese): President, in mid-January, we actually announced and implemented a measure, that is, travel agencies from Hong Kong could, in Guangdong Province, plan and operate group tours to Hong Kong. We certainly understand that the tourism industry has great contribution to the economy of Hong Kong, for the economic benefits it brings about include also benefits to such industries as the catering industry and retail industry as well. Therefore, we have to strengthen our efforts in promoting measures that had been announced but not yet implemented. I reckon that this revolves round an issue, that is, the visa issue. Guangdong Province is still not authorized to vet and approve visas so that the scope of individual visit services can be expanded. However, I could assure Mr TSE that in promoting further co-operation under CEPA, the tourism industry would be a key focus.

MR PAUL CHAN (in Cantonese): *President, under the CEPA framework, there is little benefit for Hong Kong professionals to enter the mainland market. I believe complaints have been made by professionals from a spectrum of trades. For the future development between Hong Kong and Guangdong, the experience of professionals is that due to the fact of policies being vested in the hands of the ministries and commissions of the Central Government, there has hardly been any progress in respect of the threshold and qualifications matters. We find it most welcome that Guangdong Province could allow us the pilot implementation; however, on the other hand, we reckon that perhaps due to issues of regulations apart from Guangdong Province, I would like to ask the Secretary Shenzhen is a special zone, and since laws could be established in special zones, does it mean that room for business operation could more easily be available for the professionals? What ideas and plans does the Government have in this respect?*

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Cantonese): President, I would like to make some general comments on this. We should not negate the effectiveness of CEPA as a whole just because of the difficulties encountered by individual industries or individual cases. Since the launch of CEPA, great benefits have been brought to the Hong Kong economy and to promoting professional and technical exchanges between Hong Kong and the Mainland. As regards industries in which conditions for specific individual sectors are lacking in maturity, we reckon that ways for opening up the thresholds could further be considered. However, the early and pilot implementation scheme of Guangdong Province is an extremely good measure. The Central Government understands in particular that if certain measures are not applied on a nationwide basis, or if the necessary conditions are not available in certain sectors, endeavours in our pursuit of more business opportunities and liberalization measures for various sectors could be conducted on a trial basis. I believe more in-depth study on this practice should be conducted. As for the individual cities of Guangdong Province, I believe that has to be left to the Provincial Government of Guangdong to effect co-ordination. Since Guangdong Province involves several major cities, through our liaison, the Provincial Government of Guangdong has, in particular, proposed several main ones for working on further in-depth co-operation with Hong Kong. We would continue with the work in this aspect.

MR PAUL CHAN (in Cantonese): *However, as a special zone, Shenzhen is different from other cities*

PRESIDENT (in Cantonese): It is clear now, Secretary, Mr CHAN is referring to Shenzhen.

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Cantonese): President, in fact I have replied. Since Shenzhen is a city of Guangdong Province, it would seek further co-operation with Hong Kong.

PRESIDENT (in Cantonese): Last supplementary question.

MR LAU KONG-WAH (in Cantonese): *President, both CEPA of the past and the Outline of the future would provide an extremely good basis for co-operation between the two places. However, professionals discovered in the past that though this framework was available, various problems had emerged the process of promotion. Taking the legal profession as an example, currently there are 17 offices in Guangdong Province, but they could not employ local lawyers. Based on this Outline, would the Secretary discuss with Guangdong Province the feasibility of conducting further in-depth co-operation?*

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Cantonese): *President, we have indeed been promoting entry to the mainland market for the trades all along, especially the professional sectors. The legal profession has been progressing quite well in this aspect; however, it could still do better. Therefore, we would work on several aspects such as widening the scope and enhancing the degree of the opening up. This is the first direction in our work. The second aspect we have to work on is to proactively listen to the views of the trade and to understand the true difficulties they encounter and their real needs, and to convey them truly to the authorities. Through our mechanism, we hope this could bring about facilitation in our talks with the Central Authorities and provinces and municipalities. More importantly, we hope to set up a channel for providing assistance to those with special difficulties.*

As regards the implementation of CEPA, an office has been set up in Guangdong Province. Since a more specialized department has been set up, I reckon that we can be more focused in our efforts on promoting and implementing the measures announced in CEPA. Currently, close liaison has already been established with the said office.

PRESIDENT (in Cantonese): Fourth question.

Proposed Construction of Tung Chung West Station

4. **MR WONG KWOK-HING** (in Cantonese): *President, some residents of Yat Tung Estate in Tung Chung have relayed to me that at first they accepted the allocation arrangement and moved into Yat Tung Estate, which was remotely located and had no convenient transport links, because staff of the Housing*

Department had stated that the MTR Corporation Limited (MTRCL) would construct a Tung Chung West Station near Yat Tung Estate, and the website of the Highways Department also indicated that a site had been reserved for the provision of a new station of the Tung Chung Line at Tung Chung West. Yet, the residents of Yat Tung Estate have already moved in for eight years so far, and the works concerned have not been implemented. The residents need to take feeder buses to the Tung Chung MTR Station before they can change for trains to other districts, and this has also added to their burden of travelling expenses. In this connection, will the Government inform this Council whether:

- (a) the Government has discussed with the MTRCL the construction timetable for the Tung Chung West Station to respond to Yat Tung Estate residents' expectation for early commissioning of this station; if not, whether the Government will apologize to the residents of the Estate for the delay in constructing this station ; and*
- (b) it knows if the MTRCL will consider adopting, before the commissioning of the Tung Chung West Station, an arrangement similar to that made for other remote areas to provide free feeder bus services between Yat Tung Estate and the Tung Chung MTR Station; if not, what remedial measures the Government will implement to address the problems of the lack of convenient transport links and heavy burden of travelling expenses faced by residents of the Estate, including whether the Government will reduce the rents of public rental housing units according to the fares payable by the residents for the feeder bus services concerned, grant approval for red minibus and green minibus operators to provide feeder bus services, and offer monthly bus ticket concessions to the residents?*

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, the Tung Chung New Town is one of the 10 projects of the Airport Core Programme. In regard to the long-term planning of the new town, which has included a preliminary proposal for further reclamations for the expansion of the new town, an area in the proposed reclamation in the western part of Tung Chung has been reserved for use as railway station. If the new town were to be expanded towards the west, it would be possible to consider providing railway services.

- (a) In 2007, the Government announced the Revised Concept Plan for Lantau. Based on the Concept Plan, the Government has proceeded in phases with the feasibility study of proposed development in the different planning zones, including the new town extension at the western part of Tung Chung.

The study, having regard to the engineering schemes of the Hong Kong Link Road and Hong Kong Boundary Crossing Facilities of the Hong Kong-Zhuhai-Macao Bridge near Tung Chung, will consider the extent and development of the westward expansion of the new town. As regards whether the MTR Tung Chung Line should be extended westward, the Government will consider the future development and population growth, and so on, of the Tung Chung new town. If it is economically and technically feasible, a rail link as an external transport connection for Tung Chung West should be a possible option. A decision or timetable for a new railway station at Tung Chung is not available for the time being. The Administration and the MTRCL will continue to look closely at the community planning and development of Tung Chung. We shall consider the means of transport connections at the appropriate time.

- (b) For the convenience of residents of Yat Tung Estate in Tung Chung to access MTR services, the MTRCL provides interchange concession jointly with the New Lantao Bus Co. (1973) Ltd. (NLB) for franchised bus routes 38, 38P and N38 plying between Yat Tung Estate and Tung Chung Station as well as routes 37 and 37P plying between Yat Tung Estate and Tung Chung North. The passengers on the aforesaid bus routes interchange to MTR, from MTR interchange to the buses, can have \$1 saving per trip. The concession has all along been popular among local residents. The MTRCL will continue to look for opportunities to collaborate with other public transport operators to facilitate interchange to MTR.

The Transport Department has always kept in mind the transport needs of residents in Yat Tung Estate. On bus services, there are currently 14 bus routes serving the Estate, including two routes to Tsuen Wan and Ho Man Tin respectively; three routes operating special morning departures to Hung Hom (en route to Tsim Sha

Tsui), Tin Shui Wai and Shatin; seven routes plying between Tung Chung areas and the airport; one overnight route to Tung Chung Town Centre; and one route providing late night services between Tsim Sha Tsui and the airport with an en route stop at Yat Tung Estate. In addition, with the bus-bus interchange schemes operating at the Lantau Link Toll Plaza, residents of Yat Tung Estate can make interchange to 14 other routes of the same bus company.

As regards the proposal of introducing public light bus services, it is our established policy to encourage the conversion of red minibuses to green minibuses operation to ensure service quality. Under our policy, the primary function of green minibuses is to supplement and serve as feeders to mass transport carriers. At present, residents of Yat Tung Estate travelling to and from Tung Chung Station can choose among four routes within the district with en route stops at Tung Chung Station as well as routes 38 and 38P which provide frequent feeder services between Yat Tung Estate and Tung Chung Station.

The current schedules of routes 38 and 38P are very frequent, and the service basically can meet the transport demand of local residents travelling between Yat Tung Estate and Tung Chung Station. Furthermore, the bus company concerned and the MTRCL are offering interchange concession schemes to help lower the travelling expense and provide residents with convenient transport link to other districts.

Lastly, the Transport Department (TD) will continue to keep a close watch over the service level of various transport modes with a view to providing efficient public transport services in collaboration with the transport operators. The TD will also consider the introduction of other transport services to cater for the needs of residents if necessary.

MR WONG KWOK-HING (in Cantonese): *President, today, some residents of Yat Tung Estate have staged a petition here and asked me to present this letter and the evidence. The evidence is the letter from the Housing Department (HD) to the residents after they had applied for public rental housing units, in which it*

was set out that a Tung Chung West Station would be constructed. On the basis of this letter, the residents concerned held reasonable expectation that the Government would construct a new railway station, and they thereby agreed to move into Yat Tung Estate. However, the Secretary has said in her main reply that a decision or timetable for a new railway station is not available for the time being. So, the Government has plainly misled the residents of Yat Tung Estate. To put it in a less pleasant way, the Government has cheated the residents of Yat Tung Estate so that they would move into the Estate, and it has gone back on its words. Hence, President, may I ask the Government again whether it will apologize to the residents of Yat Tung Estate for the misleading message in black and white? The Government has not replied to this part. I hope the Government would respond whether it will apologize and remedy the situation, for instance, by reducing rents or providing free feeder bus services.

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese):

President, I have looked up such information and found that we provided information on the long-term planning of the area at the very beginning. The proposed Tung Chung West Station in the area would be located at the Tung Chung Bay which was still a bay. Therefore, it was clearly stated that the location had been reserved, and we would consider constructing the Tung Chung West Station as reclamation works would be carried out there in the future. Thus, we also gave the residents some information on the long-term planning at that time.

About travelling expenses, we have a regulatory framework and we hope that more diversified services would be provided to the residents. Nonetheless, under the existing mechanism, we will not reduce rents in the light of public transport expenses because rents are regulated under another mechanism.

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

MR WONG KWOK-HING (in Cantonese): *President, she has not answered whether the Government would make an apology because I have just said that the*

Government has given the residents reasonable expectations, and it has misled them.

PRESIDENT (in Cantonese): Mr WONG Kwok-hing, I have heard that the Secretary has already answered your question. Of course, you can express dissatisfaction with the Secretary's reply.

MR CHEUNG HOK-MING (in Cantonese): *The Secretary has emphasized in her main reply that, though MTR services are not available, there are many bus routes serving Yat Tung Estate, and the residents also enjoy a \$1 interchange concession, thus, public light bus services would not be introduced. Past examples showed that the MTRCL would very often "kick the ladder", and it would cancel the concession offered when the patronage reaches a certain level. Hence, may I ask the Secretary how the Government is going to guarantee that the concession will continue to be offered, and in the longer term, when public light bus services will be introduced?*

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, we will look at the entire area; as I have just mentioned, there are currently 14 bus routes serving Yat Tung Estate; bus route number 38 plying between Yat Tung Estate and Tung Chung Station in particular provides frequent feeder services; there are 38 scheduled bus trips on average during the peak hours from 7.15 am to 8.15 am, and the frequency of the bus service is 1.6 minutes. That is only one of the bus routes, and it already provides services at this level. Certainly, we will keep a close watch over the situation. As to the \$1 interchange concession that Mr CHEUNG Hok-ming has just mentioned, we will continue to encourage the MTRCL to provide the concession.

MR IP WAI-MING (in Cantonese): *President, it was stated in the supplementary question just asked by Mr WONG Kwok-hing that HD staff had told the residents that an MTR station would be constructed, cheating residents so that they would move into Yat Tung Estate. May I ask if any staff of the HD had used this as an excuse or stated that there would be an MTR station to cheat*

residents so that they would move into Yat Tung Estate? Second, apart from the reply just given by the Secretary

PRESIDENT (in Cantonese): Mr IP, you can only ask one question in your supplementary. Please put your question clearly.

MR IP WAI-MING (in Cantonese): *May I ask if any staff of the HD is still using this as an excuse to cheat residents so that they will move into the Estate?*

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, staff of the HD will surely explain to the residents the information in hand as things stand, and I have also got a copy of the leaflet handed out at that time. It was about the features of Yat Tung Estate, and it included the site of the proposed Tung Chung West Station. It was located in the Tung Chung phase 3 development on reclaimed land, that is, the future reclamation area of the current Tung Chung Bay. In other words, if the new town is to be expanded towards the west and reclamation is required, the site has been reserved for use as a railway station. This leaflet was handed out to the residents at that time to inform the residents that it was the Government's long-term planning, and reclamation works had not yet been carried out, so the reserved site was still there. If there is a timetable for the future reclamation works and it is financially viable, the construction of the Tung Chung West Station would be considered as a matter of course.

MR LEE WING-TAT (in Cantonese): *President, the construction of MTR stations or substations is very often determined by the growth in population. Indeed, there is only a population of 40 000 to 50 000 people living near the West Station. As mentioned in the main reply, there is some vacant land at present for the further construction of public rental housing units and other residential premises in the future. May I ask the Secretary who is in charge of these two areas, transport and housing, in making such an estimation, whether the adjacent areas of the West Station will be developed into small new towns with a population of nearly 100 000 in the next five to 10 years?*

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, according to our planning at present, there is now a population of around 75 000; barring reclamation, the population will grow to around 108 000; but granting reclamation, Tung Chung will probably become a new town with a population of more than 200 000. As to the pace of increase in the relevant figures that I just referred to, it all depends on the progress of planning. I have said in my main reply a short while ago that the current planning is based on the Revised Concept Plan for Lantau, and we are now focusing on the development of such areas as Mui Wo and Tai O. Lastly, when we have determined the locations of the links to and the ports of the Hong Kong-Zhuhai-Macao Bridge (HK-ZMB), we will proceed with the planning of and feasibility study on that part of Tung Chung.

MR LEE WING-TAT (in Cantonese): *President, now that a substation would only be constructed if there is a population of 50 000 to over 100 000, why has the Government not yet started considering designing a substation? There is already quite a large population.*

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

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, as I have just explained, the site reserved for the station is in a reclamation area, so the development of the West Station depends on the planning of and works on the reclamation area. On the construction of the Station, besides the resident population, we have to consider a number of factors such as the working population, community facilities, geographical conditions and the effectiveness of railway services.

MISS TANYA CHAN (in Cantonese): *President, having listened to the Secretary's oral reply and her main reply, I have an impression that the project is not realizable in the foreseeable future. It is because the Government should first conduct a study on the reclamation of the Bay before considering whether*

the new town would be expanded towards the west as well as factors such as population. Also, the construction of the Station is only one of the possible options.

The Secretary may have referred to this leaflet that the residents have given the Civic Party. The slogan "Spacious, Comfortable and Not Crowded" is written on the leaflet. The residents cherish this leaflet, and though it is a bit torn, they have kept it very well. This leaflet shows the sites of the phase 3 development and the proposed West Station that the Secretary has just referred to. The leaflet was handed out by the Hong Kong Housing Authority in October 2000, and in 2001, another leaflet similar to the one mentioned by Mr WONG Kwok-hing was handed out by the HD to the residents, setting out the proposed Lantau Railway Extension. Nevertheless, today when the residents have already lived there for eight years, we have not seen any development yet. Having listened to the reply a short while ago, we know that the residents have to wait and wait, and I wonder how long they would have to wait before the MTR station would be constructed. May I ask the Secretary, given the considerable information and documents, if we could say that staff had cheated the residents so that they would move into the Estate? Having lived there for so long, how long do they still have to wait?

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, I have just replied over and over again that the leaflet certainly set out our intended long-term planning; however, since the West Station is actually located in a reclamation area, the project must be carried out step by step. Once we have determined the locations of the links to and the ports of the HK-ZMB, the Civil Engineering and Development Department will conduct a feasibility study on the reclamation area.

MR TAM YIU-CHUNG (in Cantonese): *President, the Secretary has just said that Yat Tung Estate has many external bus routes, and there are more than 10 bus routes running through the area. However, some residents have complained that, when some residents on night shifts return home late at night, they very often have to get off the buses at the fire station and walk home on foot. The place is secluded and dangerous, and the frequency of the bus service of route N38 is 30*

minutes, and the fare is \$4.5. If they do not walk home on foot in the dead of the night, they have to spend a long time waiting for a bus. How is the Government going to help these residents?

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, we have noticed the demand. We have proposed introducing the service of another late night bus route N31 travelling between Tsuen Wan and the Airport with an en route stop at Yat Tung Estate. Upon successful consultation, it is expected that the bus route will start operating in the first half of the year.

MR LEE CHEUK-YAN (in Cantonese): *President, I am really annoyed that the Secretary is still unwilling to admit that the Government has misled all Yat Tung Estate residents. It was first proposed in 2000 she actually knows that, if we start counting from the year 2000, we are not sure if the Station would be constructed 25 years later. Nine years have already passed and we have had no news of it, and the Government is still saying that a study would be conducted, and it even tells us that a study would only be conducted after the completion of the HK-ZMB. It takes six to seven years to complete the construction of the HK-ZMB; if a study would be conducted six to seven years later, we are not sure if the Station would be constructed 25 years later if we start counting from the year 2000. How dare the staff concerned include such information in the document, Secretary? They might as well say that the official residence of the Chief Executive would be constructed there 50 years later, and then tell the residents that they intend to move the official residence of the Chief Executive into the area in order to cheat the residents so that they will live there; she may say anything*

PRESIDENT (in Cantonese): Mr LEE, please ask your supplementary question.

MR LEE CHEUK-YAN (in Cantonese): *My supplementary question is: Why is the Secretary still unwilling to admit that the Government has misled the residents? Frankly, there is a population of 39 000 in the area now, why is the Government unwilling to construct the Station given such a population size?*

Would the Secretary admit that the Government has misled the residents on the one hand, and sincerely construct the Station on the other as a remedy? Now that there is a population of 39 000, why can it not construct the Station?

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, as I have just said, the resident population is just one of the factors in our consideration, and we will also consider other factors including the working population, community facilities, geographical conditions and the effectiveness of railway services before making a decision. Undeniably, we have examined all the information and the site for the construction of the Station is in a reclamation area. If the reserved site is in a reclamation area, we naturally have to wait until the reclamation works have been carried out to make a corresponding decision. We would follow up the work concerned in earnest.

MR LEE CHEUK-YAN (in Cantonese): *The Secretary is still unwilling to say whether the Government has misled the residents. Has it or has it not done so?*

PRESIDENT (in Cantonese): I believe the Secretary has already given a reply.

MR IP WAI-MING (in Cantonese): *President, in the Secretary's reply just now, it is said that there are many feeder buses serving the area and the frequency of the bus service is only a minute or so. Nonetheless, besides the residents' concern about the frequency of feeder bus services, the current fare is actually not low for the passengers have to pay \$3.1 per trip. So, may I ask the Secretary if the Government would further consider the provision of more economical transport services to the residents of Yat Tung Estate, or the provision of free feeder transport by the MTRCL?*

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, I believe it would depend on the existing fare structure. At present, the ceiling for fares is specified in the scale of fares under the Public Bus Services Ordinance, and the current fare is lower than this ceiling. We will keep a close

watch on the situation, if there is room for offering more concessions, we will certainly encourage the offer of more concessions, and we will consider whether more services can be provided in other aspects. In this connection, we will continue to listen to Honourable Members' views.

PRESIDENT (in Cantonese): Last supplementary question.

MR WONG KWOK-HING (in Cantonese): *President, the residents have said that the Government is the majority shareholder of the MTRCL and the developer of public housing. At present, free feeder bus services are provided along the West Rail; why does the Government not provide free bus services to the misled Yat Tung Estate residents to enable them to travel to the railway stations by bus before the construction of the West Station? I hope the Government would respond to this question.*

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, when we do planning for the area, we would take into consideration the levels of feeder and external bus services there. Of course, I have heard Mr WONG Kwok-hing's opinion but, at the present stage, we think that the levels of services and charges have been determined in accordance with the current regulatory framework.

MR WONG KWOK-HING (in Cantonese): *President, the Government has not answered the part of my question about free feeder services, which is not about whether the services are economical or not.*

PRESIDENT (in Cantonese): Mr WONG Kwok-hing, I believe the Secretary has already answered your question. The Secretary has said that your suggestion would not be considered at this stage. If you are not satisfied with the Secretary's answer, you can express your views again on other occasions.

Last question seeking an oral reply.

Hong Kong Residents Being Refused Entry into Macao

5. **MR LEE WING-TAT** (in Cantonese): *President, I have learnt that in recent years, an increasing number of Hong Kong residents (including Legislative Council Members, District Council members as well as members of political parties and non-government organizations) have been refused entry into Macao on arrival without being informed of the specific reasons. There have been comments that the Macao authorities*

(People spoke aloud in the public gallery)

PRESIDENT (in Cantonese): People in the public gallery, please keep quiet.

MR LEE WING-TAT (in Cantonese): *President, my flow was interrupted. I will start from the beginning again.*

President, I have learnt that in recent years, an increasing number of Hong Kong residents (including Legislative Council Members, District Council members as well as members of political parties and non-government organizations) have been refused entry into Macao on arrival without being informed of the specific reasons. There have been comments that the Macao authorities had refused the entry of these persons because of their political views, and this situation has aroused concern that Hong Kong residents' freedom of entry into and exit from Macao as well as their freedom of speech have been undermined. In this connection, will the Government inform this Council whether:

- (a) *it knows the aforesaid situation of Hong Kong residents being refused entry; if it does, whether it has examined if refusing such persons' entry was reasonable and had legal basis, and if it will undermine Hong Kong residents' freedom of entry into and exit from Macao as well as their freedom of speech; and*
- (b) *it has taken up with the Macao authorities the matter of Hong Kong residents being refused entry; if it has, of the details; if not, the reasons for that?*

SECRETARY FOR SECURITY (in Cantonese): President,

- (a) The Government of the Hong Kong Special Administrative Region (SAR) noted and is concerned that some individual Hong Kong residents, including Legislative Council Members and members of political parties, have recently been refused entry by the Macao authorities. The Government of the Hong Kong SAR has, through its Immigration Department (ImmD), approached the Macao authorities for an understanding of the situation. According to the Macao authorities, the immigration authority there handled the cases in accordance with the regulations of the Internal Security Law of the Macao SAR. The authority made the relevant decisions, after taking into account the circumstances pertaining to the cases.

The Basic Law of Hong Kong protects the fundamental rights and freedoms of Hong Kong residents, including the freedom of speech and the freedom to enter or leave Hong Kong. At the same time, the immigration authorities or immigration departments of other places have the power to decide the entry or otherwise of Hong Kong residents in accordance with their laws, in the light of the circumstances pertaining to each individual case. Such power is the foundation of effective immigration control for governments around the world. It does not contradict Hong Kong residents' freedom of speech as well as freedom to enter or leave Hong Kong under the Basic Law of Hong Kong.

- (b) The Government of Hong Kong SAR implements effective immigration control in accordance with the laws. In parallel, we respect and will not inappropriately interfere with the immigration regime imposed by other places in accordance with their laws and policies. However, in line with this key principle, and where necessary, we will approach and discuss with the immigration authorities of other places with a view to seeking more travel convenience for Hong Kong residents.

As I have just said just now, we, through the ImmD, have contacted the Macao authorities to express our concern about the recent cases of Hong Kong residents being refused entry into Macao. The

Macao authorities stated that they had acted in accordance with the laws and made the decisions after taking into account the specific circumstances of the cases. Subject to any changes in the situation or other relevant factors, the Macao authorities would consider any future entry applications of the individual persons based on the specific circumstances at the material time.

MR LEE WING-TAT (in Cantonese): *President, the Macao SAR Government now adopts an approach rather similar to that of the casinos in Macao. That is, it would rather having a sweeping victory or killing the people wrongly than letting them off. Not only general members of the pan-democratic parties and political groups but also the pan-democrats who can enter the Mainland for travel or work were refused entry into Macao. President, may I ask whether the Macao SAR Government, by adopting such an approach, wishes to produce the horrifying effect of legislating for Article 23 of their Basic Law, so as to intimidate residents of the Hong Kong and Macao SARs and chill the press?*

SECRETARY FOR SECURITY (in Cantonese): President, I cannot answer this supplementary question. I cannot answer Mr LEE Wing-tat's supplementary question on behalf of the Administration.

DR PHILIP WONG (in Cantonese): *Hong Kong and Macao are actually two SARs within one country. We should consider adding terms to the agreement on immigration convenience measures between Hong Kong and Macao to assure greater freedom for residents (including members of political parties) travelling between the two places. As Members may know, the Hong Kong side substantially extended in 16 February the period of stay for Macao residents in Hong Kong: the period of stay for permanent residents is extended from 14 days to 180 days, while that for non-permanent residents is extended from 14 days to 30 days. May I ask the Secretary whether the Macao authorities have offered reciprocal convenience measures for Hong Kong people?*

SECRETARY FOR SECURITY (in Cantonese): President, at present, Hong Kong permanent residents can enjoy a 30-day stay in Macao. With this new

measure, the period of stay in Hong Kong for Macao non-permanent residents is the same as the period of stay in Macao for Hong Kong non-permanent residents, both being 30 days.

Furthermore, Hong Kong permanent residents can now enjoy a period of stay of one year at each entry into Macao. This is longer than the period of stay of 180 days for Macao permanent residents entering Hong Kong under the new measure.

This agreement can provide greater immigration convenience, benefitting both Hong Kong and Macao residents. For instance, residents of the two places will be able to use an automatic clearance system, which can save much of their queuing time. Nevertheless, the two SAR Governments should continue to have the power to decide in accordance with their laws the entry or otherwise of individual persons coming from other places. Hong Kong will not interfere with decisions made by the Macao SAR Government on individual immigration cases and we do not wish to have any external interference either.

This agreement, which is now being discussed by the Hong Kong and Macao SAR Governments, will not affect the rights and responsibilities of the two Governments in exercising legitimate immigration control.

PRESIDENT (in Cantonese): As more than 10 Members are waiting to ask questions, will Members and the Secretary be as concise as possible in asking questions and making replies respectively.

MR CHEUNG MAN-KWONG (in Cantonese): *President, although Hong Kong will not interfere with Macao, has our Administration expressed discontent? In these incidents, the Macao Government publicly targeted at various ranks of the democrats in Hong Kong, even refusing the entry of those travelling to Macao in transit. With such a ridiculous measure, which is neither friendly nor courteous, does the Hong Kong Government have to accept and bear it in silence? If the Hong Kong Government has expressed discontent, can we be informed of the details? When will the measure of refusing entry of Hong Kong residents into Macao be abolished? If it has not done so, does this show the febleness and dereliction of the Hong Kong SAR Government — including the Chief Executive,*

the Chief Secretary and Secretary for Security — and its failure to stand up to defend the dignity and rights of elected Members of Hong Kong to enter Macao?

SECRETARY FOR SECURITY (in Cantonese): President, before answering this supplementary question, I wish to point out that at learning about these incidents of Hong Kong residents being refused entry, I also felt a little uneasy; I thus collated some figures to see whether we had refused entry of Macao residents into Hong Kong. Last year, that is 2008, 8 million Hong Kong residents entered Macao. As far as I understand it, not many people were refused entry. I then looked up the number of Macao residents visiting Hong Kong last year

MR CHEUNG MAN-KWONG (in Cantonese): *President, in order not to waste time, I just wish to focus on various ranks of the democrats, rather than making a broad comparison of Hong Kong and Macao residents. I do not wish the Secretary to give an answer in the wrong direction.*

PRESIDENT (in Cantonese): You have made your supplementary question clear. Secretary, please reply.

SECRETARY FOR SECURITY (in Cantonese): There were 660 000 Macao residents who visited Hong Kong, which was far less than the number of Hong Kong residents who visited Macao, and the Administration of Hong Kong refused entry of some 2 260 Macao residents.

To answer Mr CHEUNG Man-kwong's supplementary question, the Hong Kong Government is certainly concerned about this matter. The ImmD has approached its Macao counterpart to express concern for the matter. After it had obtained a reply, I personally phoned Mr CHEONG Kuoc Vá, the Secretary for Security of Macao, to express my concern and seek an understanding of the situation. The reply I obtained was the same as the one the ImmD obtained, that is, they acted in accordance with the laws. I then asked Secretary CHEONG, if these Hong Kong residents had been refused entry now, whether they would be

refused entry forever. Secretary CHEONG then told me that they would handle each case individually and make a decision in the light of the circumstance at the material time, and that officers of their immigration authority would question these Hong Kong residents on arrival and make a decision at the material time. This is the answer we obtained.

To answer Mr CHEUNG Man-kwong's question, the Hong Kong SAR Government has expressed concern and sought an understanding of the situation.

MR CHEUNG MAN-KWONG (in Cantonese): *President, my supplementary question is whether*

(Mr LEUNG Kwok-hung rose to ask a question)

PRESIDENT (in Cantonese): Mr LEUNG Kwok-hung

MR CHEUNG MAN-KWONG (in Cantonese): *Mr LEUNG Kwok-hung, it is now my turn.*

PRESIDENT (in Cantonese): Mr LEUNG Kwok-hung, please sit down. Mr CHEUNG Man-kwong.

MR CHEUNG MAN-KWONG (in Cantonese): *President*

PRESIDENT (in Cantonese): Which part of your supplementary question has not been answered?

MR CHEUNG MAN-KWONG (in Cantonese): *He did not answer whether he has expressed discontent to the Macao Government, so as to defend the dignity and rights of Hong Kong people?*

PRESIDENT (in Cantonese): Please sit down. Secretary, please reply.

SECRETARY FOR SECURITY (in Cantonese): President, in this regard, I think we must respect the authority of another country or jurisdiction in immigration control. If it acts according to the laws, there is no way we can make a protest.

MR CHIM PUI-CHUNG (in Cantonese): *President, speaking of the immigration issue of Macao, in fact, Macao also has a passage for VIPs like the one in Hong Kong, except that the Legislative Council Members of Hong Kong are not entitled to this preferential treatment. Can our SAR Government or the Secretary fight for this right from Macao so as to safeguard our entitlement to equal treatment?*

SECRETARY FOR SECURITY (in Cantonese): President, regarding this supplementary question, I have to go back and confirm whether we have a special passage for members of the Macao legislature; and if so, whether we need to have an equal treatment. Regarding this issue, I need to go back and gain an understanding of the situation.

MR CHAN KIN-POR (in Cantonese): *The Macao authorities seemed not to have explained to the persons concerned the reason for their refused entry. May I know whether it is an international practice to not give an explanation to the person concerned?*

SECRETARY FOR SECURITY (in Cantonese): As I said earlier, it is inappropriate and impossible for us to say for the Macao authorities that is, to request them to explain why the persons concerned were refused entry. According to our understanding, the immigration department or immigration authority of a place has the power to refuse entry of persons whom it thinks or refuse entry of certain persons according to the laws of the place. The immigration authority very often does not need to provide a specific reason. You may say that this is an international practice. But in Hong Kong, for

example, when we handle such cases, that is, if we refuse entry of a certain person, we usually provide a reason, though the reason will not be a detailed one. However, this involves the laws or policies of the local immigration department or authority.

MR WONG KWOK-KIN (in Cantonese): *The Secretary mentioned just now in his reply the annual figure of Hong Kong people visiting Macao and how many of them were refused entry, but he did not mention the specific figures. How many Hong Kong residents were refused entry into Macao on arrival each year, or rather, in the past year? What is the simple reason for the majority of the cases of refused entry, irrespective of whether such cases relate to Macao residents coming to Hong Kong or vice versa? Are there such statistics?*

SECRETARY FOR SECURITY (in Cantonese): President, according to my understanding, Hong Kong people often travel abroad. If they have been refused entry overseas, they do not have the responsibility Or the majority of them are unwilling to disclose to us (that is, the SAR Government) that they have been refused entry. We thus do not have any statistics on cases of Hong Kong residents being refused entry into Macao. We only have one figure, which is collected by the Hong Kong-Macao Ferry Terminal on the number of Macao-bound Hong Kong people. As I have said just now, the figure in 2008 was 8 million people. Of course, if people who had been refused entry approached us for assistance, we would certainly have the figures on this. Since January 2008, the Assistance to Hong Kong Residents Unit of the ImmD has received 28 requests for assistance from Hong Kong residents who have been refused entry into overseas countries. The majority of the cases were related to problems with their travel documents or visas. Among these cases, three involved refused entry into Macao.

DR MARGARET NG (in Cantonese): *President, it is actually obvious to all that these people were refused entry into Macao because of their political views. Macao's approach shows its disrespect for our freedom of speech and it is not due to the fact that these people have interfered with the safety of Macao. No one was satisfied with their reply except the Security Bureau and the ImmD. May I ask whether this is due to the fact that our Security Bureau and ImmD also*

adopt a similar principle, that is, they also restrict people to express different political views by restricting their freedom of speech and refusing their entry, such as by refusing entry of pro-democracy activists and their family members? Is it because of the fact that the Security Bureau and ImmD also used the same yardstick that when the Macao authorities did likewise, the former expressed no dissatisfaction and brushed aside the matter lightly by saying that they had acted according to the laws?

SECRETARY FOR SECURITY (in Cantonese): President, will Members please read my reply. I did not say that we were satisfied. But whether or not we are satisfied, we have to respect other jurisdiction's decision made according to its laws.

DR MARGARET NG (in Cantonese): *The Secretary said respect. Is it because they both have the same principle which seeks to reject others' different political views?*

SECRETARY FOR SECURITY (in Cantonese): This is not the policy of the Hong Kong Government.

MS CYD HO (in Cantonese): *The Internal Security Law of the Macao SAR stipulates that if the person concerned is involved in the possession of explosives, he or she shall be refused entry into Macao. But the group of us, first of all, do not have any triad background; second, we do not have any criminal intent; and third, we were stopped and refused entry into Macao on arrival on that day without being asked of our purpose of entry. This is political censorship. The Secretary said just now that he had felt a little uneasy. I very much wish to know whether his uneasiness is due to the fact that he has to be questioned by Members or that he really feels the need to take follow-up actions on our refused entry. If he thinks that follow-up actions are necessary, will he find out for us whether the Macao authorities have a black list, and find out from the Hong Kong and Macao Affairs Office of the State Council (HK and Macao Affairs Office) whether there is political censorship which prevents Hong Kong residents from enjoying freedom of movement within one country?*

SECRETARY FOR SECURITY (in Cantonese): President, I did ask Mr CHEONG Kuoc Vá, the Secretary for Security of Macao, whether there was a black list. He said there was not such a list. Regarding affairs of the two SARs, I think they are unrelated to the HK and Macao Affairs Office. Why do we have to ask the HK and Macao Affairs Office to handle these affairs?

MS EMILY LAU (in Cantonese): *President, the Secretary said he needed to respect the power of other jurisdictions to refuse people entry. But I am not sure if he knows that some places or countries will make a protest to the place concerned if members of their parliamentary assembly have been refused entry into that place. Recently, a member of parliament from Belgium who had been accused of being unfriendly to Islam was refused entry by the United Kingdom Government. The Belgium Government thus made a protest. Will our SAR Government do likewise? President, representatives from Macao will come to Hong Kong tomorrow to attend a Pearl River Delta tripartite meeting. We have to go and make a protest. May I ask the Secretary whether the authorities will make a protest tomorrow? Will the authorities request the Macao authorities to allow Hong Kong residents to enter Macao?*

SECRETARY FOR SECURITY (in Cantonese): President, as explained in my main reply, we will respect decisions made by other jurisdictions or countries according to their laws.

MS EMILY LAU (in Cantonese): *President, he did not answer my supplementary question. Does he know that some countries will fight for their nationals?*

SECRETARY FOR SECURITY (in Cantonese): President, it is inappropriate for me to comment on other countries' policies or decisions.

MR FREDERICK FUNG (in Cantonese): *President, first of all, I need to declare that I am one of the victims.*

I wish to ask a question about the Secretary's remark that the SAR Government had repeatedly expressed concern to the Macao Government. The meaning of "concern" is ambiguous. Does "concern" mean that the Hong Kong SAR Government welcomes the Macao Government's refusal of our entry, or that the SAR Government wishes to obtain a name list from Macao? Or does "concern" indicate the attitude of our SAR Government towards this incident? The word "concern" is neutral. Has the Secretary not expressed the attitude of the Hong Kong SAR Government towards the group of us being denied entry into Macao? If our SAR Government has a position about this, should the Central Government be notified of the position? The Governments of the two SARs are under the Central Government administration-wise. Why can such incidents happen? Moreover, among the people who were refused entry, some of them can enter the Mainland. Have they gone overboard with this practice?

PRESIDENT (in Cantonese): Mr Frederick FUNG, you seem to have asked many questions. Secretary, please reply.

SECRETARY FOR SECURITY (in Cantonese): President, concern is concern. I do not wish to discuss here the extent of concern. As I said in reply to Ms Cyd HO's supplementary question just now, affairs concerning the two SAR Governments should better be handled by us. I do not see why the Central Government has to step in.

PRESIDENT (in Cantonese): Which part of your supplementary question has not been answered?

MR FREDERICK FUNG (in Cantonese): *I wish to seek an elucidation from the Secretary*

PRESIDENT (in Cantonese): Mr Frederick FUNG, you can only repeat the part which has not been answered by the Secretary.

MR FREDERICK FUNG (in Cantonese): *He did not answer how expressing "concern" is related to the handling of affairs by the two SAR Governments?*

PRESIDENT (in Cantonese): This is not part of your supplementary question just now. Let me see if the Secretary has anything to add.

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

MR JAMES TO (in Cantonese): *President, why does the Central Government have to step in? It may be because of the incompetence of our SAR Government or the Secretary. If one third of the members of the legislature of a place cannot have been refused entry for no reason at all not because of theft, not because of money laundering and not because of prostitution, but because of political censorship and our Government maintains that it needs to respect the other government, what kind of respect is this? How respectful is this? If they have acted according to the laws, on which ordinance did they base their action? Has the Secretary enquired about this? Dr Margaret NG has hit the nail on the head. The only reason is that you have the same problem yourself and you also refuse others' entry. President, may I ask the Government, if one third of the Legislative Council Members may possibly be unable to enter Macao, do the Macao authorities respect these representatives elected by Hong Kong people? What is it all about? How could our Government just express concern to the other party and shirk all the responsibility? Has our Secretary made his best efforts to fight for this and uphold the dignity of Hong Kong people and the dignity of the representatives elected by Hong Kong people?*

SECRETARY FOR SECURITY (in Cantonese): President, precisely because there are one third of the Legislative Council Members not one third but only several Legislative Council Members refused entry into Macao on arrival. There have been speculations that the Members who have signed the petition against the legislation on Article 23 of the Basic Law of Macao

(Mr LEE Wing-tat rose)

PRESIDENT (in Cantonese): Secretary, please pause for a while. Mr LEE Wing-tat, do you have a point of order?

MR LEE WING-TAT (in Cantonese): *If the Secretary has cited wrong information in replying the supplementary question, do we need to deal with such a reply? He said several Members were refused entry, but actually there should be almost 23 Members*

PRESIDENT (in Cantonese): Mr LEE Wing-tat, the point you raised is not a point of order. Please sit down. Secretary, please continue with your reply.

SECRETARY FOR SECURITY (in Cantonese): I was answering Mr LEE Wing-tat's question pertaining to one third of the Legislative Council Members. As far as we know, not one third of the Legislative Council Members were refused entry into Macao on arrival. Instead, there have been comments that 23 Members may possibly be unable to enter Macao because they have signed the petition against legislation on Article 23 of the Basic Law of Macao. Precisely because of such a concern that our SAR Government has expressed concern of the matter to the Macao authorities, that is, why Members were refused entry particularly during that period of time.

I fully understand the feeling of Members, particularly those who went to Macao on the first day of the Lunar New Year and were refused entry on arrival. Precisely because of this, the ImmD (including myself) approached the Macao authorities to seek an understanding of the situation. The answer we obtained is that the Macao authorities made the decision in accordance with the Internal Security Law of the Macao SAR. Whether we like it or not, this is the laws of the Macao Government and the Macao authorities have acted according to the laws. Regarding this matter, Mr James TO said just now that if the two SAR Governments could not solve the problem, they should take the matter to the Central Government. I have heard Mr TO's suggestion and I will go back and consider it.

PRESIDENT (in Cantonese): Members, we have spent over 25 minutes on this question. I am afraid other Members who have not yet asked their supplementary questions will have to follow up this issue on other occasions. Oral questions end here.

WRITTEN ANSWERS TO QUESTIONS

Investigation into Affairs of CITIC Pacific Limited

6. **MR JAMES TO** (in Chinese): *President, on 20 October last year, CITIC Pacific Limited, a listed company in Hong Kong, issued a profit warning revealing that the Group had incurred huge losses due to the holding of leveraged foreign exchange contracts. Although the Group had been aware of the exposure arising from such contracts as early as 7 September last year, it still declared in a circular which was issued on 16 September that its directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2007. This incident has aroused the concern of the public and investors. The Securities and Futures Commission (SFC) also indicated on 22 October last year that it had commenced an investigation into the incident. In this connection, will the Government inform this Council whether it knows the latest progress of the investigation and its results (including whether false declaration and insider trading had been involved), and whether it will release the results of the SFC's investigation; if it will, when such results will be released?*

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Chinese): President, on 22 October 2008, the SFC issued a press release confirming that it had launched an investigation into the affairs of CITIC Pacific. On the same date, the Hong Kong Exchanges and Clearing Limited issued a press release confirming that the Stock Exchange of Hong Kong Limited (SEHK) would be looking into the situation as part of its normal practice to make enquiries to verify compliance with the Listing Rules and it will consider any issues raised. The investigation is still continuing and the SFC does not have further comment to offer. Neither can the Administration nor the SFC offer any comment on SEHK's enquiries.

Counterfeit Wine

7. **MR TOMMY CHEUNG** (in Chinese): *President, the Government is determined to develop Hong Kong into a wine distribution hub of Asia, and since the abolition of duties on alcoholic beverages by the Government last year, there has been significant growth in the import of alcoholic beverages. Yet, some wine traders have recently expressed concern about the inflow of alcoholic beverages with forged trademarks (counterfeit wine) into Hong Kong, and they are worried that the reputation of Hong Kong's wine industry will be tarnished. In this connection, will the Government inform this Council:*

- (a) *of the quantity of counterfeit wine seized by the Customs and Excise Department (CED) in each of the past three years and its trend;*
- (b) *whether it knows the current number of experts in Hong Kong who can distinguish the authenticity of alcoholic beverage trademarks, and if the current number of experts is sufficient; and*
- (c) *whether the CED will step up efforts in combating counterfeit wine; what other measures it has adopted to combat the inflow of counterfeit wine into Hong Kong, as well as how it assesses the effectiveness of such measures?*

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Chinese): *President, how best to effectively prevent the entry of counterfeit wine into Hong Kong's market is a subject of the utmost importance to the further development of wine trading and distribution businesses in Hong Kong.*

With regard to parts (a) to (c) of the question, our reply is as follows:

- (a) In the past three years, the CED did not come across any counterfeit wine in the course of carrying out enforcement actions. There is, nonetheless, no room for complacency. We will remain vigilant.
- (b) Generally speaking, experienced sommeliers have a good measure of knowledge about wine trademarks. That said, in terms of law

enforcement and adducing evidence before the Court, the process of authenticating a trademark for alcoholic beverage is no different from that pertaining to trademarks for other goods in general. That is, we count on the authoritative verification of the trademark owner or his agent in order to meet the Court's requirement on adduction of evidence. The CED has been maintaining good relationship with trademark owners and their agents in this respect. They are usually willing and prepared to provide assistance.

- (c) To guard against and combat illegal activities related to counterfeit wine, the CED carries out, on a sustained basis, risk assessments and inspections at all land, sea and air checkpoints. The CED monitors the situation on the ground, collects intelligence through exchanges with the wine industry and overseas enforcement agencies, and conducts targeted investigation and enforcement operations.

Following the exemption of wine duty in February 2008, wine imports into Hong Kong have increased in volume and wine trading businesses have grown significantly. To enhance its enforcement capability against counterfeit wine, the CED has taken the following measures:

- (i) setting up a specialized investigation team and providing relevant training to the investigators;
- (ii) forming an alliance with the wine industry with a view to enhancing co-operation in combating illegal activities involving counterfeit wine; and
- (iii) strengthening co-operation with the customs as well as wine regulatory and enforcement agencies of major wine producing regions to facilitate more speedy exchange of intelligence and information on cases.

The CED will keep the effectiveness of its enforcement efforts under review and adjust the measures for combating and preventing counterfeit wine as and when necessary.

Complaints About Services of Residential Care Homes for Elderly

8. **MR LEE CHEUK-YAN** (in Chinese): *President, will the Government inform this Council of the number of complaints received in each of the past three years about the services of residential care homes for the elderly (RCHEs) and, among such complaints, the respective numbers of those relating to the application of physical restraint, residents falling down, and skin conditions of residents?*

SECRETARY FOR LABOUR AND WELFARE (in Chinese): President, in the past three years, the Licensing Office of Residential Care Homes for the Elderly (LORCHE) of the Social Welfare Department received on average 274 complaints per annum about the services of RCHEs. The breakdown is as follows:

<i>Year</i>	<i>Complaints about the services of RCHEs received by LORCHE</i>
2006	278
2007	279
2008	266

LORCHE updated the computer system for recording complaint cases and revised the statistical classifications at the end of 2007. Since then, statistics on complaint cases about the application of physical restraints have been recorded separately. Before then, LORCHE did not record complaints about the application of physical restraints, falls of RCHE residents and skin conditions separately. Complaints of such nature were all classified as complaints of "Care Services". Indeed, "Care Services" included other types of complaints, such as those relating to drug management, residents' privacy and infection control.

In 2008, LORCHE received a total of 18 complaints about the application of physical restraints. Complaints about falls of RCHE residents and skin conditions are recorded under the categories of "Handling of Accidents" or "Specialized Nursing Care", which also include other complaints relating to accidents and care services. For instance, "Handling of Accidents" includes complaints about the care of cuts, bruises, and scald injuries resulting from accidents, as well as delay in arranging residents suffering from accidental

injuries to receive hospital treatment. On the other hand, "Specialized Nursing Care" includes complaints about tube feeding, handling of urinary catheter, and tracheostomy care, and so on. In 2008, the numbers of complaints received by LORCHE under the categories of "Handling of Accidents" and "Specialized Nursing Care" were 26 and 13 respectively.

Regulation of Recovery Agents

9. **MR CHAN KIN-POR** (in Chinese): *President, it has been reported that some recovery agents (RAs) (that is, organizations which assist victims, usually of personal injury cases, in recovering damages in return for a fee as a percentage of the damages recovered) have recently been touting for business by claiming that their services are provided on a "no win, no charge" basis. When assisting employees injured at work and victims of traffic accidents in claiming damages, they often abet the injured to exaggerate the degree of injuries sustained so as to claim for a higher amount of compensation. Such act will not only bring losses to insurance companies, but will also harm the interests of insurance policyholders in the end because of increase in insurance premium. In this connection, will the Government inform this Council:*

- (a) *of the respective numbers of reports received and arrest operations mounted against RAs by the police in each of the past three years, and the progress and results of the cases concerned; and*
- (b) *given that the acts of RAs may constitute criminal offences such as "maintenance" or "champerty", whether the Government will adopt counter-measures to eradicate the activities of RAs; if it will, of the details; if not, the reasons for that?*

SECRETARY FOR JUSTICE (in Chinese): President,

- (a) The police do not keep statistics on reports received against RAs. However, reports on champerty have been received by the police in the past three years. As a result, a total of 21 persons were arrested and charges were laid against two of them. The trial of the two

charged persons will take place at the District Court in May 2009. Other cases are still under investigation.

- (b) The Administration is taking a three-pronged approach to address the problems caused by RAs. These are public education, law enforcement through investigation and prosecution, and possible legislation.

On public education, Announcements of Public Interest (APIs) have been broadcast on television and radio since 9 July 2008 in order to increase public awareness of the risks of the activities of RAs.

As for prosecution, the police mounted an operation to combat the illegal activities of RAs in July 2008. A total of 21 persons were arrested and 22 premises were searched. Eleven computers and more than 900 box files of various documents were seized. Of the 21 persons arrested, two were charged with offences including maintenance and champerty. Investigations are continuing.

The Administration will review the need for legislation pending the outcome of prosecution actions.

The Administration will be briefing the Legislative Council Panel on Administration of Justice and Legal Services on the subject of RAs in its meeting on 23 February 2009.

Platform Gaps at Light Rail Stations

10. **MR TAM YIU-CHUNG** (in Chinese): *President, the Government informed this Council in January last year that the Kowloon-Canton Railway Corporation (KCRC) had commenced works in 2005 to install plastic fillers at the edge of the platforms of 37 Light Rail (LR) stations with relatively wide gaps between the platforms and the trains, so as to narrow such gaps, and it was expected that the works would be completed before the first quarter of last year. However, many members of the public have relayed to me that the platform gaps at some LR stations are still too wide, rendering electrical wheelchairs unable to*

move in and out of the trains smoothly. In this connection, will the Government inform this Council whether it knows:

- (a) the average reduction in the width of the platform gaps at the aforesaid LR stations after the installation of plastic fillers;*
- (b) the number of accidents in each of the past three years involving LR passengers who had tripped and sustained injuries when boarding or alighting from the trains and, among these accidents, of the number of those which took place at platforms where plastic fillers had already been installed;*
- (c) if the KCRC and the MTR Corporation Limited (MTRCL), which has taken over the operation of LR services since 2 December 2007, had conducted comprehensive tests in the past three years on whether the platform gaps at all LR stations allowed the smooth passage of electrical wheelchairs; if so, of the test results; if not, the reasons for that; and*
- (d) if the MTRCL has studied measures to further mitigate the problem of wide platform gaps at LR stations (for example, installing the Mechanical Gap Filler system at platforms); if so, of the details; if not, the reasons for that?*

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

- (a) After considering the geographical environment and the practical operational needs of LR stops, the pre-merger Kowloon-Canton Railway Corporation (pre-merger KCRC) decided to install platform gap fillers at platforms with gaps wider than about 140mm to reduce the gap width by 50mm so as to enhance passenger travelling environment. The MTRCL carried on with the installation works involving 37 LR stops totaling 62 platforms. The works were fully completed in February 2008. Moreover, the MTRCL has implemented various measures to enable passengers to use LR even more safely. These include:

- (i) platform edges being painted with white lines to increase passenger awareness;
 - (ii) broadcast at platforms to remind passengers to stand behind the yellow line and beware of the platform gap; and
 - (iii) Station Assistants are deployed at busy stops to offer assistance to passengers during peak hours.
- (b) Over the past three years, there were 133 incidents relating to LR platform gaps (2006: 32 cases, 2007: 50 cases, 2008: 51 cases). Most of the passengers involved were not injured. Out of these incidents, none of them involved wheelchair users, and only six cases happened at stops already installed with platform gap fillers. The MTRCL will continue to strengthen passenger education to further enhance their safety awareness and remind passengers of the need to take care of children and the elderly.
- (c) The design of the LR system complies with international standards. During the installation process of platform gap fillers, the Corporation has liaised with passengers with disabilities with a view to collecting their opinions on LR facilities. In April 2006, the pre-merger KCRC, via the Transport Department, invited representatives of groups of person with disabilities, including manual and electric wheelchair users, to participate in a trial at Tin King stop. The purpose of the trial was to assess the boarding situation of passengers with disabilities with platform gap fillers installed. The result confirmed that they could board LR trains more conveniently and safely.
- (d) The MTRCL considers that the platform gap fillers already reduce the width of the platform gaps. The MTRCL will continue to carry out passenger education and safety campaigns to further enhance passengers' safety awareness when using railway services.

Salaries of Staff of Hospital Authority

11. **MS EMILY LAU** (in Chinese): *President, the Annual Report 2007-2008 of the Hospital Authority (HA) reveals that the remuneration of the five highest paid executives in that year increased by 3.6% to 7.6% as compared to that of last year, whereas it was reported that the pay rise for front-line nursing staff was 0.3% only. There have been comments that such situation reflects the failure of HA's internal monitoring mechanism for the adjustment of staff remuneration by the management, and thus leading to a situation which rewards the upper-ranked staff generously but gives the lower-ranked staff a niggardly pay. In this connection, will the Executive Authorities inform this Council whether:*

- (a) *they know the criteria adopted by the HA for determining the remuneration adjustments for its management and frontline staff;*
- (b) *they had regularly reviewed in the past three years the HA's monitoring mechanism for the adjustment of staff remuneration by the management; if so, of the details; if not, the reasons for that; and*
- (c) *they will consider subjecting the adjustment of remuneration of those HA staff who are equivalent in rank to directorate civil servants to the supervision of the Legislative Council; if they will not, of the reasons for that?*

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

- (a) The remuneration of the senior executives in the HA, including the Chief Executive, Cluster Chief Executives, Hospital Chief Executives, and Heads of functional divisions in the HA Head Office, is determined in accordance with the relevant policies formulated by the HA Board. In general, such factors as internal relativities, pay level in the market and the affordability of the organization as well as the Annual Pay Adjustment and the policy on salary increment applicable to the general staff of the HA are taken into account in determining the remuneration and annual remuneration adjustment of the senior executives. Besides, the remuneration of these senior executives would also be adjusted

under certain circumstances in accordance with established mechanism having regard to individual employment conditions and changes of duties.

Other staff of the HA are paid on the established pay scales of the HA. At present, the HA makes reference to the findings of the annual Pay Trend Survey of the Civil Service in determining the pay adjustments for its staff paid on the established pay scales. Besides, under the HA's salary increment policy, staff will be awarded salary increment subject to performance. However, the above Annual Pay Adjustment mechanism is not applicable to supporting staff at the ranks of General Services Assistant and Technical Services Assistant, who are mostly on contract terms. The HA conducts annual review on the pay adjustment of these two ranks with reference to the general market trend.

- (b) The annual pay adjustment rate of HA staff is subject to approval by the HA Board. As for the remuneration of individual senior executives, the adjustment is subject to approval by the HA Board through its Executive Committee.
- (c) The HA is an independent statutory body. According to Schedule 3 of the Hospital Authority Ordinance (Cap. 113), the HA is conferred with power to determine the most appropriate terms and conditions of employment of its employees. At present, such arrangements have been working well and it is not necessary to make changes to these arrangements.

Assistance for Street Sleepers

12. **MR WONG SING-CHI** (in Chinese): *President, it has been reported that as the financial tsunami has caused a global economic downturn, quite a number of Hong Kong residents who used to work in Macao and Guangdong Province have recently returned one after another to reside in Hong Kong because they had lost their jobs or they had closed down their businesses, and they have become street sleepers due to financial difficulties. In this connection, will the Government inform this Council whether:*

- (a) *it knows among the people who are street sleepers, the number and percentage of the aforesaid people as well as the number and percentage of those who are not eligible to apply for Comprehensive Social Security Assistance because they have been absent from Hong Kong for more than 56 days during the one-year period immediately before the date of application; if not, whether it will conduct such a survey as soon as possible;*
- (b) *it knows the average daily occupancy rate, in each month of the past three years, of the shelters for street sleepers run by non-governmental organizations (NGOs), and whether there was a significant increase in the occupancy rates for the last three months; and*
- (c) *it had, in the past three years, reviewed if the resources for the provision of support services for street sleepers were adequate for meeting new service demands, providing urgent support services for street sleepers, and publicizing the various services to them?*

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

- (a) The Government does not collect the data asked in the question and has no plan to conduct a survey to collect such data. In fact, any street sleepers having genuine financial difficulties or other welfare needs can always seek help from the Integrated Services Teams for Street Sleepers (ISTs) subvented by the Social Welfare Department (SWD) and the Integrated Family Service Centres/Integrated Services Centres (IFSCs/ISCs), regardless of their reasons for becoming street sleepers and whether they have left Hong Kong for more than 56 days during the past year. Social workers will provide appropriate support and services to them according to their individual circumstances.
- (b) The SWD subvents NGOs to operate five Urban Hostels and one emergency shelter with a total capacity of 192 places. These

hostels/shelter provide short-term accommodation and counselling services to people in need, including street sleepers.

The average daily occupancy rates of these hostels/shelter in each month of the past three years are at Annex. As noted from the data, the occupancy rates for the last three months (October 2008 to December 2008) remained stable, without any marked increase.

- (c) The Government has always been concerned about the needs of street sleepers. We provide a wide range of support services to address their emergency needs and strengthen their work motivation and skills, so as to help them give up street sleeping and become self-reliant.

Since April 2004, under the welfare programme, the SWD has been subventing three NGOs, namely the Salvation Army, St James' Settlement and the Christian Concern for the Homeless Association, to each operate an IST. The ISTs provide street sleepers with one-stop integrated services including emergency shelter/short-term hostel placement, emergency relief fund, personal care (for example, bathing, hair-cutting and meal service), counselling, arrangement of long-term accommodation, employment guidance and service referrals, and so on. The ISTs also make day and late-night outreaching visits, proactively engaging street sleepers and identifying their needs as early as possible. In addition, IFSCs/ISCs run by the SWD and NGOs also provide street sleepers with various counselling and support services.

Besides the aforementioned welfare services, the SWD also subvents the Society for Community Organization to run a Care and Support Networking Team. Through the provision of outreaching support, casework and group work services, the team aims at helping street sleepers and other vulnerable groups reintegrate into the community, thus contributing to the Home Affairs Bureau's policy objective on community development.

With the concerted efforts of various government departments and NGOs, there has been a significant drop in the number of street sleepers in recent years. According to the Street Sleepers Registry of the SWD, the number of street sleepers has gradually dropped from 463 in April 2004 to 374 in December 2008.

Although there is no evidence showing a significant increase in the number of street sleepers over the past few months, the SWD will, in collaboration with the NGOs concerned, keep in view possible impacts of the recent global financial tsunami on street sleepers, and take appropriate measures having regard to the service demand.

Annex

The Average Daily Occupancy Rate of Urban Hostels and Emergency Shelter
in Each Month of the Past Three Years
(From January 2006 to December 2008)

2006

<i>Month</i>	<i>Jan</i>	<i>Feb</i>	<i>Mar</i>	<i>Apr</i>	<i>May</i>	<i>Jun</i>	<i>Jul</i>	<i>Aug</i>	<i>Sep</i>	<i>Oct</i>	<i>Nov</i>	<i>Dec</i>
Daily Occupancy Rate	82.1%	81.2%	86.3%	83.9%	86.2%	85.6%	75.4%	74.5%	74.8%	83.9%	85.3%	85.8%

2007

<i>Month</i>	<i>Jan</i>	<i>Feb</i>	<i>Mar</i>	<i>Apr</i>	<i>May</i>	<i>Jun</i>	<i>Jul</i>	<i>Aug</i>	<i>Sep</i>	<i>Oct</i>	<i>Nov</i>	<i>Dec</i>
Daily Occupancy Rate	87.1%	85.8%	87.2%	83.0%	86.4%	85.3%	86.7%	84.8%	83.9%	88.3%	90.3%	88.5%

2008

<i>Month</i>	<i>Jan</i>	<i>Feb</i>	<i>Mar</i>	<i>Apr</i>	<i>May</i>	<i>Jun</i>	<i>Jul</i>	<i>Aug</i>	<i>Sep</i>	<i>Oct</i>	<i>Nov</i>	<i>Dec</i>
Daily Occupancy Rate	83.1%	84.8%	83.5%	84.8%	84.2%	85.1%	84.8%	85.3%	86.8%	85.3%	85.4%	81.5%

Accidents of Passengers Losing Their Footing on Staircases in Franchised Buses

13. **MS MIRIAM LAU** (in Chinese): *President, last month, an elderly man was injured after losing his footing while walking down the staircase from the upper deck of a double-decked bus in motion, and he later died. The bus in question was equipped with a straight staircase, the same type of staircases used on most buses purchased by the franchised bus company concerned in recent years. There have been comments that in accidents of passengers losing their footing on staircases, straight staircases tend to cause more serious injuries to such passengers, as compared to traditional spiral staircases. In this connection, will the Government inform this Council:*

- (a) *whether it knows the number of accidents in the past five years involving bus passengers losing their footing while walking up or down the staircases, together with a breakdown of such accidents by the franchised bus company involved, the age group (child, adult or elderly) of the passengers involved and the type of staircases (straight or spiral) of the buses involved;*
- (b) *whether the Government has issued guidelines to franchised bus companies on the types and models of buses as well as the safety designs inside bus compartments, and so on; if so, of the details of the guidelines; if not, how the Government assists the bus companies in deciding which types of buses to purchase;*
- (c) *whether the Government has assessed the safety of straight and spiral staircases; if so, of the assessment results; if not, whether the Government will conduct such an assessment; and*
- (d) *what measures are in place to reduce accidents occurring when passengers walk up or down the staircases?*

SECRETARY FOR TRANSPORT AND HOUSING (in Chinese): *President, with regard to the four parts of the question, my replies are as follows:*

- (a) According to the statistics on "non-collision franchised bus accidents involving passengers injured on the staircase inside bus compartments", the number of accidents happened on straight and spiral staircases in the past five years are in Annex 1, and the number of persons injured by age group are set out in Annex 2.

- (b) and (c)

The type, model and compartment design of every new bus have to fulfil the requirements stipulated in the Road Traffic (Construction and Maintenance of Vehicles) Regulations (Cap. 374A) before it is allowed to run on the road. The Regulations set out the requirements for steps leading from the lower to the upper deck of a double-decked bus, including the maximum height and minimum depth of the steps, the fitting of non-slip treads on the steps and the provision of grab rails at a suitable height on the staircase. Both the straight and spiral staircases on all serving double-decked buses comply with the relevant requirements. The bus companies may put into service any new bus that meets the required specifications under the legislation. According to the assessment of the bus companies and their European manufacturers, both the straight and spiral staircases are safe.

- (d) We are very concerned about the safety of bus passengers. We believe that the chance for passengers to lose their footing while walking up or down the staircase will be lower if they hold the grab rails tightly while walking on the staircase, while bus captains drive the buses smoothly and steadily throughout the journey. We adopt a comprehensive approach to improve road safety focusing on law enforcement, training of bus captains as well as education and publicity.

On law enforcement, the police prosecute franchised bus captains who fail to ensure passenger safety (such as causing loss of balance and thus injuries of passengers by stopping the buses abruptly and

starting the buses negligently) according to the Public Bus Services Regulations.

On training, we emphasize the need for the bus companies to provide sufficient training for their bus captains to ensure that they can drive the buses steadily. We require the bus companies to provide basic training for new drivers and refresher training for serving ones, with a view to improving their safe driving skills, safety awareness and driving behaviour. The Kowloon Motor Bus Company (1933) Limited (KMB) and Long Win Bus Company Limited (LW) have introduced a training programme using driving simulators to help sharpen bus captains' reaction to different road traffic situations. The Citybus Limited (CTB) and New World First Bus Services Limited (FB) issue to every bus captain a pocket size booklet on safe driving behaviour as a handy reference. To ensure that driving attitude and behaviour are maintained at high standards, the franchised bus companies also arrange inspections from time to time to check on the driving behaviour of their bus captains. In addition, the Transport Department, in collaboration with the police, conducts regular Road Safety Seminars for franchised bus captains to urge and encourage them to adopt a proper driving attitude.

On education and publicity, we arrange frequent broadcast of Announcements in the Public Interest (API) on radio to remind motorists to give way to buses, so that abrupt braking of buses and thus the impact on passengers can be reduced to a minimum. Television APIs are also broadcast to remind passengers of safety precautions such as taking care while walking up or down the staircase and refraining from standing on the staircase. In view of the recent incidents of passengers falling inside bus compartments, we have strengthened these publicity efforts. The franchised bus companies also make use of television APIs, light box advertisements, on-board broadcast, bus body advertisements and signs to remind passengers of safety precautions on buses and to convey to motorists the message of giving way to buses as far as possible.

Non-collision Franchised Bus Accidents Involving Passengers Injured on the Staircase Inside Bus Compartments

<i>Bus Company</i>	2004					2005					2006					2007					2008				
	<i>KMB</i>	<i>CTB</i>	<i>FB</i>	<i>LW</i>	<i>Others*</i>	<i>KMB</i>	<i>CTB</i>	<i>FB</i>	<i>LW</i>	<i>Others*</i>	<i>KMB</i>	<i>CTB</i>	<i>FB</i>	<i>LW</i>	<i>Others*</i>	<i>KMB</i>	<i>CTB</i>	<i>FB</i>	<i>LW</i>	<i>Others*</i>	<i>KMB</i>	<i>CTB</i>	<i>FB</i>	<i>LW</i>	<i>Others*</i>
No. of accidents involving buses with straight staircase	8	0	0	0	-	12	0	0	0	-	13	0	0	0	-	21	0	0	0	-	13	0	1	0	-
No. of accidents involving buses with spiral staircase	80	14	15	1	-	72	13	14	1	-	75	12	21	3	-	68	19	20	0	-	49	22	18	6	-
No. of accidents of each bus company	88	14	15	1	11	84	13	14	1	17	88	12	21	3	14	89	19	20	0	30	62	22	19	6	23
Total no. of accidents	129					129					138					158					132				

Note:

* Others include the accidents that the bus staircase type was unknown due to insufficient information, and accidents that were disputable and could not be grouped under a specific bus company.

Number of Casualties of Non-collision Franchised Bus Accidents
involving Passengers Injured on the Staircase Inside Bus compartments

	2004	2005	2006	2007	2008
Children (Aged under 12)	11	9	8	12	10
Adult (Aged 12 to 64)	86	90	95	114	100
Elderly (Aged 65 and above)	34	34	37	35	23
No. of injured passengers	132 [#]	133	140	161	135*

Notes:

This figure includes one death and one injured passenger whose age was not known.

* This figure includes two injured passengers whose ages were not known.

Food Surveillance Programme Implemented by Centre for Food Safety

14. **DR LAM TAI-FAI** (in Chinese): *President, to ensure food safety, the Centre for Food Safety (CFS) implements the food surveillance programme, under which samples of food items are taken regularly at three levels, namely import, wholesale and retail levels, for microbiological and chemical testing. Moreover, I have learnt that the Government is outsourcing such testing work to private laboratories progressively. In this connection, will the Government inform this council:*

- (a) *whether CFS has reviewed its criteria for taking food samples since its establishment; if it has, of the details; if not, the reasons for that;*
- (b) *whether it will increase the number and widen the scope of food samples taken; if it will, of the details; if not, the reasons for that;*
- (c) *of the average unit time and cost of microbiological and chemical tests conducted by various government laboratories, and how such*

figures compare with the relevant figures of similar tests conducted by private laboratories; and

- (d) of the respective numbers and percentages of microbiological and chemical tests conducted by government laboratories and private laboratories last year; and whether it will consider increasing the ratio of outsourced tests, in order to reduce the workload of government laboratories?*

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

- (a) The Food Surveillance Programme is a major tool of the CFS to ascertain the safety of food available in the local market and it serves as an alert system. The CFS takes samples of a range of food items at different levels along the food chain, covering the import, wholesale and retail levels (including restaurants, food factories, fresh provision shops, supermarket chains, mini-supermarkets, retail markets, and so on) for microbiological and chemical testing to ensure that the foods offered for sale are fit for human consumption and comply with the relevant legislation. Microbiological testing covers bacteria and viruses, while chemical testing includes natural toxins, food additives and contaminants. In 2008, over 66 000 food samples were tested under the Food Surveillance Programme, with a satisfactory rate of over 99%.

The CFS has since 2007 adopted a three-tier surveillance strategy, consisting of routine food surveillance, targeted food surveillance and seasonal food surveillance. The CFS determines the types of food samples to be collected, the frequency and number of samples for testing, and the types of laboratory analyses to be conducted according to various factors, including food risks, local and overseas food safety incidents and food poisoning cases in the past, and conviction records of the food premises concerned. The sampling strategy is under regular review, taking into account all the latest overseas and local risk analyses.

Apart from the routine food surveillance on the major types of food commodities (such as fruits and vegetables, meat, aquatic products, milk and cereals), the targeted surveillance projects conducted by the CFS in 2008 included those on microbiological quality of lunch boxes and ice-cream, Sudan dyes in eggs and egg products, sulphur dioxide in meat, and so on. Surveillance on seasonal food is conducted to assess the safety of food items that are particularly popular during festivals and holiday seasons, including festive food of Lunar New Year, rice dumplings, mooncakes, hairy crabs, and so on. In 2008, the CFS also conducted a number of surveys on popular food items, including various types of breakfast food, street snacks, and children snacks.

- (b) In general, the safety of food available in Hong Kong is maintained at a high standard, with the average satisfactory rate of food testing standing at 99%. The CFS tests about 65 000 food samples every year. When compared with overseas places, Hong Kong has a higher number of samples tested per 1 000 population, and is broadly in line with our international counterparts. The existing sample size can serve to monitor and provide an early alert to ensure food safety. As mentioned above in (a), the CFS reviews the sampling strategy regularly by taking into account the latest assessment on food safety. Some recent adjustments introduced to the strategy include the incorporation of the testing of melamine into the routine surveillance programme, stepping up the testing of sulphur dioxide added in beef due to recent increased detection of such irregularity, and conducting of surveys on other popular food items (for example, cart noodles, local desserts).
- (c) The turnaround time and cost of food testing vary with the type of food, the testing parameters, as well as the number of sample. Depending on the type of food tested and the testing parameters (such as heavy metals, pesticide residues and micro-organisms), the actual time required for the tests ranges roughly from one to 10 working days based on past experience, and the most complex type of tests may take about 30 days. In addition, the cost of the tests varies with the testing parameters. For example, for the chemical testing on food outsourced by Government Laboratory in 2008

(including sulphur dioxide, preservatives and organo-chlorine pesticide residues), the cost of testing by Government Laboratory is comparable to the price offered by the private laboratories, which is about \$600 per sample on the average. For testing of bacteria, the cost of testing conducted by the Department of Health is about several hundred to over a thousand dollars, while the cost of virus testing is about three thousand dollars. The Government does not have information regarding the cost for microbiological testing (including bacteria and virus) in comparison with the private market.

- (d) Starting from 2008-2009, the Government Laboratory has outsourced part of the routine chemical testing of food to private laboratories. The number of tests outsourced in 2008-2009 amounted to 22 000 tests, equivalent to about 15% of the routine food tests in the fiscal year. The resources thus saved will be deployed to conduct method development for new tests, to provide testing services in support of new food legislation to enhance food safety, to conduct testing work involving litigation, and to assist in contract management. At this stage, the Government has no plan to outsource microbiological tests.

Piped and Cylinder LPG

15. **MS AUDREY EU** (in Chinese): *President, in 2007, there were about 690 000 users of piped and cylinder liquefied petroleum gas (LPG), representing about 29% of the total number of users in the gas fuels market in Hong Kong. Yet, I have recently received complaints that the piped LPG market lacks competition, the transparency of retail prices of piped LPG is low, and such a situation is unfair to consumers. In this connection, will the Government inform this Council:*

- (a) *of the current numbers of piped LPG users and suppliers; and*
- (b) *given that at present, only one LPG supplier has established a mechanism to regularly and openly review LPG prices and release the relevant information, what measures the Government had put in*

place in the past three years to encourage other piped LPG suppliers to increase the transparency of the setting of LPG prices?

SECRETARY FOR THE ENVIRONMENT (in Chinese): President,

- (a) As at end 2008, there were four gas supply companies supplying piped LPG to about 214 000 users.
- (b) Fuel prices in Hong Kong are determined by individual companies having regard to commercial practices and their operating costs. In a free market economy, the Government does not have the power to dictate fuel prices. Nevertheless, the Government appreciated the impact of LPG prices on the local economy, and encouraged the industry to increase transparency in their pricing.

Regarding the domestic LPG, Shell Hong Kong Limited (Shell), one of the major LPG suppliers in Hong Kong, has voluntarily adopted a pricing mechanism since 1999 to review their prices regularly so as to enhance transparency in their pricing. To reflect more closely LPG price movements in the international market, Shell currently reviews their prices every three months (that is, in the latter half of January, April, July and October), and reviews their operational costs every 12 months. In each review with a view to setting LPG price, the company will forecast the import prices of the coming three months in light of the latest international LPG price information, and reflect any variation between the actual import prices and the import prices as forecasted in the previous review. Under this mechanism, the Government also monitors whether the adjustment in local price of domestic LPG is reasonable in light of the movements in international LPG prices and local import prices. After each price review, Shell will announce and explain to public the outcome of the review. Although other oil companies have not established any mechanism to regularly and openly review LPG price and release relevant information, according to our information, the adjustment made by other oil companies in the price of piped LPG has been close to that of Shell.

Quality of Dongjiang Water

16. **DR JOSEPH LEE** (in Chinese): *President, regarding the quality of Dongjiang (DJ) water, will the Government inform this Council:*

- (a) *of the results of the monitoring of quality of DJ raw water supplied to Hong Kong in each of the past five years and, among these results, of the items which did not meet the relevant water quality standards; and whether drinking such substandard fresh water will be harmful to health; if it will, of the details; and*
- (b) *whether it had discussed with the Guangdong authorities last year measures to improve the quality of DJ raw water, including reducing the pollution to the source of DJ water, with a view to reducing the use of chemicals for purifying fresh water; if it has, of the details; if not, the reasons for that?*

SECRETARY FOR DEVELOPMENT (in Chinese): President, since 2000, the Water Supplies Department (WSD) releases on its website data of the quality of drinking water in Hong Kong and the quality of DJ raw water as received at Muk Wu Pumping Station (MWPS). From 2002 onwards, the frequency of publication of water quality data has been increased from annual to half-yearly intervals. For details of the information on water quality, please visit the following WSD website: <<http://www.wsd.gov.hk/en/html/water/qualitydata.htm>>.

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

- (a) The monitoring results of the quality of DJ raw water supplied to Hong Kong in each of the past five year are at Annex I. The results indicate that the quality of DJ water as received at MWPS complies with the relevant quality standards.
- (b) For many years, the Guangdong and Hong Kong sides have discussed actively on DJ water issues including the improvement of water quality. Both sides have also implemented a series of measures and works to mitigate water pollution. With the full commissioning of the dedicated aqueduct in 2003, the quality of DJ water supplied to Hong Kong has significantly improved. The

Guangdong and Hong Kong sides concur that DJ water should be protected to reduce pollution at source to further enhance the water quality. At the business meeting held last year, both sides exchanged views on various measures to be taken against DJ water pollution at source. These measures include:

- (i) enforcing more strictly the environmental legislations, regulating the pollution emitters along DJ, as well as strengthening the supervision and monitoring of wastewater discharge points along rivers;
- (ii) stepping up control over land use planning and environmentally unfriendly activities;
- (iii) improving progressively the water resource management and real-time monitoring system; and
- (iv) implementing wastewater interception schemes at Shenzhen Reservoir to ensure no contamination in the reservoir.

Over the years, the Guangdong authorities have arranged members of the Hong Kong Advisory Committee on the Quality of Water Supplies annually to inspect and better understand the implementation of various pollution prevention and control measures along DJ. The inspection for last year was conducted in November. The Guangdong and the Hong Kong sides will continue to work closely so as to reduce pollution at source and continuously enhance the quality of DJ water.

Annex I

Quality of DJ water as received in Hong Kong at MWPS
(2003-2004 to 2007-2008 Monitoring Results)

As the national standard of surface water quality was raised, new versions of the water quality standard were issued in various years to delete, revise or add monitoring parameters. The versions of standard adopted by the WSD to monitor water quality in the past five years are as follows. In accordance with international practice, the WSD compares the yearly average against the standard values.

2003-2004	Class II Standard of the Environmental Quality Standard for Surface Water (GB 3838-83)
2004-2005 and 2005-2006	Type II Standard (applicable for the abstraction for human consumption in first class protection area) of the Environmental Quality Standards for Surface Water (GB 3838-88)
2006-2007 and 2007-2008	Type II water (applicable for the abstraction for human consumption in first class protection area) in the Environmental Quality Standards for Surface Water (GB3838-2002)

<i>Parameters</i>		<i>2003-2004</i>	<i>2004-2005</i>	<i>2005-2006</i>	<i>2006-2007</i>	<i>2007-2008</i>
pH value	Average	7.1	7.1	7.3	7.2	7.2
	Standard value	6.5-8.5	6.5-8.5		6-9	
Colour (Hazen Unit)	Average	<5	-	-	-	-
	Standard value	≤15	-		-	
Dissolved Oxygen (mg/L)	Average	6.6	6.8	7.4	7.6	7.7
	Standard value	≥6	≥6		≥6	
Chemical Oxygen Demand (COD) (mg/L)	Average	-	<5	6	<5	6
	Standard value	-	<15		≤15	
Biochemical Oxygen Demand (BOD ₅) (mg/L)	Average	<2.0	<2.0	<2.0	<2.0	<2.0
	Standard value	≤3	≤3		≤3	
Permanganate Value (mg/L)	Average	0.72	0.66	0.56	2 ^(note 1)	2
	Standard value	≤4	≤4		≤4	
Volatile Phenols (mg/L)	Average	<0.001	<0.001	<0.001	<0.001	<0.001
	Standard value	≤0.005	≤0.002		≤0.002	
Cyanide (mg/L)	Average	<0.01	<0.01	<0.01	<0.01	<0.01
	Standard value	≤0.05	≤0.05		≤0.05	
Arsenic (mg/L)	Average	0.001	0.002	0.002	0.001	0.002
	Standard value	≤0.04	≤0.05		≤0.05	
Mercury (mg/L)	Average	<0.00005	<0.00005	<0.00005	<0.00005	<0.00005
	Standard value	≤0.0005	≤0.00005		≤0.00005	
Cadmium (mg/L)	Average	<0.001	<0.001	<0.001	<0.001	<0.001
	Standard value	≤0.005	≤0.005		≤0.005	

<i>Parameters</i>		<i>2003-2004</i>	<i>2004-2005</i>	<i>2005-2006</i>	<i>2006-2007</i>	<i>2007-2008</i>
Chromium (VI) (mg/L)	Average	<0.002	0.003	0.003	0.002	<0.002
	Standard value	≤0.02	≤0.05		≤0.05	
Lead (mg/L)	Average	<0.003	<0.003	<0.003	<0.003	<0.003
	Standard value	≤0.05	≤0.05		≤0.01	
Copper (mg/L)	Average	0.006	0.007	0.005	0.004	0.004
	Standard value	≤0.01	≤1.0		≤1.0	
Petroleum Hydrocarbons (mg/L)	Average	-	<0.0125	<0.0125	<0.0125	<0.0125
	Standard value	-	≤0.05		≤0.05	
Sulphides (mg/L)	Average	-	-	-	<0.05	<0.05
	Standard value	-	-		≤0.1	
Total Coliforms (No./L)	Average	3 000	-	-	-	-
	Standard value	≤10 000	-		-	
Faecal Coliforms ^(note 2) (No./L)	Average	-	-	-	1 200	1 000
	Standard value	-	-		≤2 000	
Total Phosphorus (as P) (mg/L)	Average	-	0.082	0.072	0.053	0.041
	Standard value	-	≤0.1		≤0.1	
Sulphate (as SO ₄ ²⁻) (mg/L)	Average	-	11	8.8	7.6	8.3
	Standard value	-	≤250		≤250	
Chloride (as Cl ⁻) (mg/L)	Average	-	11	7	6	7
	Standard value	-	≤250		≤250	
Iron (mg/L)	Average	-	0.26	0.22	0.16	0.20
	Standard value	-	≤0.3		≤0.3	
Manganese (mg/L)	Average	-	0.04	0.04	0.04	0.04
	Standard value	-	≤0.1		≤0.1	
Zinc (mg/L)	Average	-	0.01	<0.01	<0.01	<0.01
	Standard value	-	≤1.0		≤1.0	
Nitrate (as N) (mg/L)	Average	-	2.1	1.4	1.4	1.5
	Standard value	-	≤10		≤10	
Nitrite (as N) (mg/L)	Average	-	0.029	0.017	-	-
	Standard value	-	≤0.1		-	
Ammoniacal Nitrogen (NH ₃ -N) (mg/L)	Average	-	-	-	0.04	0.05
	Standard value	-	-		≤0.5	

Parameters		2003-2004	2004-2005	2005-2006	2006-2007	2007-2008
Nonionic Ammonia (mg/L)	Average	-	<0.0050	<0.0050	-	-
	Standard value	-	≤0.02		-	
Kjeldahl Nitrogen (mg/L)	Average	-	0.3	0.3	-	-
	Standard value	-	≤0.5		-	
Fluoride (as F) (mg/L)	Average	-	0.28	0.21	0.18	0.21
	Standard value	-	≤1.0		≤1.0	
Selenium (mg/L)	Average	-	<0.001	<0.001	<0.001	<0.001
	Standard value	-	≤0.01		≤0.01	
Anionic Surfactants (mg/L)	Average	-	<0.1	<0.1	<0.1	<0.1
	Standard value	-	≤0.2		≤0.2	
Benzo[a]pyrene (mg/L)	Average	-	<2.0 x 10 ⁻⁶	<2.0 x 10 ⁻⁶	<2.0 x 10 ⁻⁶	<2.0 x 10 ⁻⁶
	Standard value	-	≤2.5 x 10 ⁻⁶		≤2.8 x 10 ⁻⁶	

Notes:

- (1) WSD adopts the GB3838-2002 standard for the monitoring of DJ water quality starting from 2006-2007. In accordance with the new standard, a new testing method that uses permanganate at a higher temperature is used to measure more effectively the amount of oxidizable substances in the water. The new testing method will yield higher permanganate indices but they do not mean an increase in oxidizable substances in the water.
- (2) The numbers measure the results of analysis for E. coli. According to international practice, E. Coli is an indicator bacteria of faecal contamination.

Measures to Protect Children Against Influenza Infections

17. **MS STARRY LEE** (in Chinese): *President, during the peak of the influenza season in March last year, the Government set up an Expert Group to conduct an in-depth investigation into the deaths of three children with acute febrile illnesses. The investigation report released in April last year came up with 14 recommendations, including extension of the recommended age range of childhood vaccination for influenza. Subsequently, the Government launched the Influenza Vaccination Subsidy Scheme (IVSS) in November last year to encourage influenza vaccination of Hong Kong children between the age of six months and less than six years. It has been reported that up to end of last month, the coverage rate of IVSS was less than 30%. In this connection, will the Government inform this Council:*

- (a) *of the latest coverage rate of IVSS and what measures are in place to encourage influenza vaccination of more eligible children;*

- (b) *whether the Government will accept the remaining 13 recommendations made by the Expert Group; if it will, of the details of and timetable for implementing the recommendations; if not, the reasons for that; and*
- (c) *whether it will issue guidelines on whether schools should suspend classes in case of an influenza outbreak; if it will, of the details; if not, the reasons for that?*

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

- (a) The Government introduced the IVSS in November 2008 to provide subsidy to encourage young children to receive influenza vaccinations from private doctors. To date, the Government has received applications for subsidy for over 100 000 injections of influenza vaccine, which include the first and second injections. The Scheme will last till the end of March this year. As there is still a month to go and there will be new applications during this period, the final coverage of IVSS will only be known and publicized after March.

Since September 2008, the Government has been promoting the IVSS by different means, including Announcements of Public Interest on television and radio, as well as distribution of relevant information to medical practitioners, child care centres, kindergartens, health services units and all Public Enquiry Services Centres of the Home Affairs Department. In addition, the Department of Health (DH) has visited and briefed the 18 District Councils on the IVSS and organized two briefings. The DH has also set up a dedicated website to provide details of the Scheme and a hotline to answer public enquiries.

- (b) The DH and the Hospital Authority (HA) have already taken appropriate follow-up actions on the remaining 13 recommendations made by the Investigation Panel in relation to the acute febrile deaths in three children in early 2008. Details are given in Annex.

- (c) In times of influenza outbreaks, the Centre for Health Protection (CHP) would consider advising the affected schools to suspend classes for a period of time to control the outbreak, having regard to factors including the number of affected persons, the number of severely ill persons, the number of persons requiring hospitalization, the progression of the outbreak, whether it is responsive to control measures, and so on. Details have been incorporated in the updated Guidelines on Prevention of Communicable Diseases in Schools/Kindergartens/Kindergartens-cum-Child Care Centres/Child Care Centres, which have been sent to schools and uploaded onto the CHP's website for reference by the general public (website: <http://www.chp.gov.hk/files/pdf/School_full_eng_20090115.pdf>).

Annex

Recommendations of the Investigation Panel after its investigation of acute febrile deaths in three children during the 2008 seasonal influenza outbreak in the Hong Kong Special Administrative Region and the follow-up actions taken

<i>Recommendations of the Investigation Panel</i>	<i>Follow-up Actions Taken</i>
<i>Public health recommendations</i>	
(1) In view of the high rate of influenza-related hospitalization and neurological complications in children, a review should be conducted in respect of extending the recommended age range of childhood vaccination for influenza. This will also benefit the elderlies indirectly by the herd immunity. Further recommendations should be left to the Scientific Committee on Vaccine Preventable Diseases (SCVPD) of the CHP.	After reviewing the local and overseas scientific evidence regarding influenza vaccination, the SCVPD under the CHP of the DH announced its recommendations on influenza vaccination for 2008-2009 in June 2008. These recommendations include extending the age range of childhood vaccination for influenza from the original group of "children aged six to 23 months" to "children aged two to five years". Having regard to these recommendations, the Government has provided free vaccination to children between the age of six months and less than six years from families receiving Comprehensive Social Security Assistance through the Government Influenza Vaccination Programme for 2008-2009. In addition, the Government has put in place an IVSS since November 2008 to provide subsidy for children aged between six months and less than six years to receive influenza vaccination from private doctors.

<i>Recommendations of the Investigation Panel</i>	<i>Follow-up Actions Taken</i>
(2) Post-exposure antiviral prophylaxis or early treatment can be considered for children at risk on a case-by-case basis during school outbreaks with related deaths or when increased viral virulence is suspected. This should be evaluated together with the updated information on the adverse effects of antiviral treatment.	The CHP of DH will take into account factors such as signs of increased viral virulence and consider providing post-exposure antiviral prophylaxis for children at risk on a case-by-case basis.
(3) Closure of an individual school during outbreaks may be considered taking reference from (but not solely dictated by) certain indicators, such as: when the sick leave rate is 10% or more, the hospitalization rate is more than 1%, there are two or more Intensive Care Unit admissions, or any death in the school due to influenza in otherwise healthy children.	During the outbreak of influenza, the CHP would consider advising the affected schools to suspend classes for a period of time to control the influenza outbreak, having regard to factors such as the number of affected persons, the number of severely ill persons, the number of persons requiring hospitalization, the progression of the outbreak, and whether it is responsive to the control measures. The CHP will also take reference from the indicators proposed by the Investigation Panel.
(4) Children with acute febrile illness should not attend school till 48 hours post-defervescence. Rest is important for the recovery process and the immune system of the child.	The CHP has, by way of letter and provision of guidelines, reminded the schools to advise parents not to let their children attend school till 48 hours post-defervescence when their children are suffering from acute febrile illness.
(5) During outbreaks or influenza seasons, the warmth/coolness of classrooms should be maintained without compromising the indoor ventilation rate of more than six air-changes per hour. This can be achieved by simply keeping all windows and doors of the classrooms open.	During outbreaks or influenza seasons, the CHP will advise schools that they should open all windows and doors of their classrooms to increase air ventilation. The Education Bureau has already issued letters to all schools as a follow-up.
(6) Direct drinking of water from drinking fountains by young children at schools should be discouraged because backwashing of oral and nasal secretions onto the water outlets may cause cross-infection.	The CHP has issued letters to relevant departments such as the Education Bureau, Social Welfare Department and Leisure and Cultural Services Department and advised them that young children should not drink water directly from drinking fountains in order to avoid cross-infection caused by backwashing of oral and nasal secretions onto the water outlets. The Education Bureau has issued letters to all schools as a follow-up.

<i>Recommendations of the Investigation Panel</i>	<i>Follow-up Actions Taken</i>
<i>Clinical recommendations</i>	
(7) Subtle clinical features such as repeated visits to doctors or narrow pulse pressure should alert the attending clinicians to consider hospital admissions or more thorough and vigorous investigations for serious complications.	Through the release of the executive summary, DH has called upon the relevant stakeholders, such as the HA and the Hong Kong Medical Association, to take note of and adopt these recommendations. In addition, the DH has also given wide publicity to the executive summary and recommendations through different channels such as press conferences, press releases and CHP's web page.
(8) The main purpose of a visit to a doctor during an influenza-like illness is for the exclusion of a more serious illness or complications which requires further investigation and immediate treatment. Except in special circumstances, the culture of polypharmacy of drugs of similar nature can be dangerous and should be discouraged.	
(9) For better protection of patients, doctors must know the generic names instead of or in addition to the proprietary names of the medications so as to avoid prescription of multiple drugs with similar actions unwittingly in the symptomatic management of influenza infection.	
(10) The dosage of drugs should always be tailored according to the professionally accepted recommendations.	
(11) Current medications should be brought to the attention of the new doctors taking over the management so that they can be aware of the potential drug induced complications or serious drug interactions.	
(12) For better patient protection, the private and public health service database of all patients should be linked. Patients should have 24-hour access to their diagnoses and treatments, which should also be made accessible to authorized health personnel upon consent of the patients or their guardians.	

<i>Recommendations of the Investigation Panel</i>	<i>Follow-up Actions Taken</i>
<i>Recommendations on pathological surveillance</i>	
(13) A surveillance of unexplained deaths or critical illness due to possible infectious causes should be performed by investigating all acute deaths in previously healthy persons less than age 50 who died of or were hospitalized with a life-threatening illness with hallmarks of an infectious aetiology for which no cause was identified.	Should an HA doctor have doubts about the cause of the sudden death of a patient, appropriate specimens will normally be taken having regard to the patient's medical records and specific circumstances and sent to the relevant Pathology Department for laboratory tests irrespective of the patient's age. The DH has also provided funding support for a university to strengthen their infectious disease laboratory surveillance in this respect.
(14) Result of toxicological analysis is often difficult to interpret in postmortem samples due to drug redistribution and other postmortem changes. Standard operating procedures (SOP) should therefore be established for proper collection of peri-mortem biological specimens (for example, blood, urine, tissues or other bodily fluids) at the Accident and Emergency Department (AED) in death of unknown cause. SOP should also be established for collection of appropriate biological specimens (for example, blood, urine, other bodily fluids) at the AED from patients in critical conditions where unknown infectious disease, intoxication or esoteric metabolic disorder is suspected. The sample collection should be performed, inasmuch as the circumstance allows, prior to therapeutic interventions as the latter may mask or obscure the underlying aetiology.	The CHP and HA have held discussions on the drafting of relevant guidelines to remind doctors of the procedures for collecting specimens in cases of sudden death of children so as to step up investigation of cases in which children are suspected of having died suddenly of an unknown infectious disease.

Powers of Director of Audit

18. **MR CHEUNG HOK-MING** (in Chinese): *President, each year, the Audit Commission conducts examinations into the economy, efficiency and effectiveness with which the audited organizations have discharged their functions, and submits to this Council the Director of Audit's Reports on the results of value for*

money (VFM) audits, which include recommendations on improvement measures. In this connection, will the Government inform this Council whether it had, in the past three years, considered empowering the Director of Audit to follow up and monitor the implementation of the improvement measures by the audited organizations, so as to ensure that such audited organizations utilize public resources prudently and effectively; if it had, of the details; if not, the reasons for that?

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Chinese): President, under the existing mechanism, the Director of Audit issues two VFM reports every year. Each report comprises a number of chapters on various subjects.

After tabling of the Director of Audit's report in the Legislative Council, the Public Accounts Committee (PAC) will conduct public hearings on those subjects which it has selected for further examination and compile its own report thereafter. The Administration will monitor the improvements made by the audited organizations, and is required to respond to the PAC's report within three months of its tabling through a Government Minute (GM) on the observations and recommendations in the PAC's report. The Administration will indicate in the GM the action and improvement measures it has taken or proposes to take, and, if necessary, explain why it is not intended to take action. The Administration will also submit to the PAC an annual progress report in September each year on matters outstanding in previous GMs.

As regards those subjects included in the Director of Audit's reports but not selected by the PAC for investigation, the audited organizations have to submit progress reports on them via the relevant bureaux and departments to the Director of Audit on a half-yearly basis.

If the Director of Audit considers that any matters from the previous VFM reports have not been dealt with adequately, he can follow them up in subsequent reports.

The Administration has all along been working closely with the Director of Audit and the PAC and requested the audited organizations to respond to and follow up the recommendations made by the Director of Audit and the PAC in a positive and constructive spirit. We consider that the existing mechanism has

been working smoothly, with the recommendations made by the Director of Audit and the PAC followed up and the progress of follow-up work monitored in an effective manner.

Student Finance Assistance Schemes

19. **MR CHEUNG MAN-KWONG** (in Chinese): *President, regarding the Tertiary Student Finance Scheme — Publicly-funded Programmes (TSFS) and the Financial Assistance Scheme for Post-secondary Students (FASP) (the finance assistance schemes), will the Government inform this Council:*

- (a) *of the types of income counted, the items of deductible expenses and the maximum amount of deduction for each item in calculating the total family income of an applicant under each finance assistance scheme; whether the Student Financial Assistance Agency (SFAA) will consider classifying the major expenses (such as mortgage repayments) of an applicant as items of deductible expenses; if it will not, of the reasons for that;*
- (b) *of the year of the statistical figures to which SFAA had made reference, and the criteria SFAA adopted, when deriving the amounts of subsidies payable to students for their living expenses under each finance assistance scheme as well as the ceiling on total family income for each level of finance assistance; and the respective current amounts of such figures after inflationary adjustments;*
- (c) *as it was reported that the SFAA indicated in May 2006 that a consultant had been commissioned to undertake a one-year study of the finance assistance schemes regarding the calculation of living expenses as well as the income of the applicants, and so on, whether the study has been completed; if so, of the consultancy fees, findings of the study (including the proposed recommendations), and the implementation date for the relevant recommendations; if not, the reasons for that;*
- (d) *of the number and percentage of the students of each University Grants Committee (UGC)-funded institution who participated in the activities of overseas exchanges, internship or visits in the past three*

academic years; whether such students have received any publicly-funded subsidies; if they have, of a breakdown, by the mode of subsidy, of the numbers of beneficiaries and the amounts of such subsidies; if not, the reasons for that; whether there is any student who was unable to take part in such exchange programmes because of financial difficulties;

- (e) whether it will consider including expenses on overseas exchanges, internship and accommodation in student quarters, as well as information and technology expenses in relation to studies, in the scope of subsidies of the finance assistance schemes; if so, of the details; if not, the reasons for that; and*
- (f) of the numbers of disabled students studying in tertiary institutions who had applied for and received grants or loans in each of the past three academic years; and whether it has considered providing such students with subsidies in the form of grants instead of loans, taking into account the burden of expenses on them and their repayment ability; if so, of the details; if not, the reasons for that?*

SECRETARY FOR EDUCATION (in Chinese): President,

- (a) The SFAA currently adopts a standard income assessment mechanism in processing applications under the financial assistance schemes. This income assessment mechanism, which is also applicable to various other financial assistance schemes under the SFAA, operates on the basis of the Adjusted Family Income (AFI) formula, which takes into account the total annual income of the family and the number of family members in determining the eligibility level of subsidy for the applicant. The types of income counted towards the total annual income of the family include the following:
 - (i) the income of the applicant's parents, including part-time income, rental income, maintenance fee, and so on;
 - (ii) 30% of the income of the applicant's unmarried siblings who are residing with the applicant;

- (iii) allowances received by the applicants during their study, such as studentship, income received from appointments by institution or income received from attending graduation-tied placement; and
- (iv) contributions from the applicant's relatives, such as contributions towards mortgage payment or financial support to the family from living away siblings, and so on.

Under the existing mechanism, when deriving the total family income, the medical expenses of family members who are chronically ill or permanently incapacitated are deductible. The amount deductible per family member is subject to a ceiling, which is revised annually according to the movement of the Consumer Price Index. In the 2008-2009 academic year, the ceiling of deductible medical expenses per family member is \$14,590.

We consider the existing mechanism fair, simple and effective. Owing to the varied nature of the mode and level of expenses of each individual family, with the exception of medical expenses of family members who are chronically ill or permanent incapacitated, we have no intention of including other expenses as deductible expenses.

- (b) The current ceiling of financial assistance for living expenses under the financial assistance schemes was determined on the basis of data collected in the Student Expenditure Survey conducted in the 1988-1989 academic year. The actual ceiling amount is updated annually on the basis of the Student Price Index provided by the Census and Statistics Department in order to reflect price changes. In the 2008-2009 academic year, the ceiling of financial assistance for living expenses is \$35,670.

The maximum total family income corresponding to each tier of financial assistance was introduced in 1995 upon completion of a review. The actual amounts are adjusted annually according to the movement of the Consumer Price Index to reflect inflationary adjustments. The amounts for the 2008-2009 academic year are at Annex A.

- (c) The SFAA has commissioned a consultancy study in September 2007 to review the current mechanism of calculating the living expenses loan under the financial assistance schemes in order to set up a more appropriate and effective mechanism for deriving the levels of financial assistance for eligible students. The consultancy study involves collection and analysis of information and data from eligible students of publicly-funded institutions. The study requires a longer than expected time to complete owing to the complexity of process. The consultancy study is still in progress and we shall consult stakeholders at an appropriate time.
- (d) The number and percentage share of students from each UGC-funded institution who participated in exchange activities in the 2005-2006 to 2007-2008 academic years are set out in Annex B.

In 2002, the Government made available a sum of \$120 million for providing a grant to support an expansion of student exchange programmes of the UGC-funded institutions at the undergraduate level in the three years starting from the 2002-2003 academic year. Separately, the Administration has since 2003 launched four rounds of Matching Grant Scheme (MGS) of \$1 billion each for awarding grants to institutions to match private donations secured by them. The resources secured under MGS can be used in a number of areas, including "student-oriented activities and development programmes" which cover, *inter alia*, the conduct of student exchange programmes.

In addition, all eligible students for TSFS (including students with financial difficulties) who have passed the means test, can apply for extra grant from SFAA to cover expenses on compulsory overseas field trips, in addition to the basic grant and loan offered to them on the basis of their financial conditions. The financial assistance covers the necessary expenses on travel, meals, accommodation, and so on. Upon confirmation on their eligibility from the concerned institutions, the SFAA will release this extra grant to these students according to the percentage of financial assistance they are entitled under TSFS. In the 2005-2006 to 2007-2008 academic years, the relevant statistics are set out below:

	2005-2006	2006-2007	2007-2008
Number of students that were paid with grant relating to overseas field trips	778	757	549
Amount of grant paid in relation to overseas field trips (\$ million)	2.9	2.8	3.1

- (e) As mentioned in our reply to part (c), we are conducting a consultancy study to review the current mechanism of calculating living expenses under the financial assistance schemes, including the scope of students' expenses, in order to work out a more appropriate and effective mechanism to derive the levels of financial assistance for eligible students.
- (f) At present, all disabled students who are receiving Disability Allowance from the Social Welfare Department may apply for means-tested financial assistance under the financial assistance schemes which include a non-repayable grant and a low-interest loan to cover tuition fees, academic expenses and living expenses. They may also apply for an additional discretionary low-interest loan for living expenses. The maximum amount of this discretionary loan is 50% of the maximum loan for living expenses under the financial assistance schemes. In the 2008-2009 academic year, the maximum amount of discretionary loan is \$17,835.

Students who are recipients of Disability Allowance should notify the SFAA when applying for financial assistance so as to enable the Agency to process their applications for grant and loan, and discretionary loan. For disabled students who have not declared their status in their applications, the SFAA will have no knowledge of their health conditions, and will therefore process their applications according to regular procedures. According to the SFAA's record, the number of disabled applicants who were recipients of Disability Allowance are 78, 64 and 63 from the 2005-2006 to 2007-2008 academic years respectively, and all of them were offered with grant and/or loan.

We have no plan to provide other types of financial assistance to disabled students for the time being. We shall continue to closely monitor the situation, and conduct review(s) as and when necessary.

Annex A

The Ceiling on Total Family Income for Each Level of Financial Assistance
(2008-2009 Academic Year)

<i>AFI* Groups between (HK\$)</i>		<i>Maximum Grant (%)</i>	<i>Maximum Loan (%)</i>
0	20,156	100	100
20,157	21,447	95	96
21,448	23,579	91	92
23,580	25,711	86	88
25,712	27,839	82	83
27,840	29,926	72	72
29,927	32,012	63	61
32,013	34,100	53	50
34,101	36,183	44	39
36,184	38,217	36	31
38,218	40,251	28	24
40,252	42,288	21	16
42,289	44,319	13	9
44,320	46,415	11	8
46,416	48,508	8	6
48,509	50,602	6	4
50,603	53,829	4	2
	>53,829	0	0

Note:

* The formula for calculating AFI is as follows:

$$\text{AFI} = \frac{\text{Total Family Annual Income} - \text{Deductible Medical Expenses}}{\text{Total Number of Family Member} + 1^{(1)}}$$

⁽¹⁾ For single-parent families of two to three members, the "plus one factor" in the divisor of the AFI formula will be increased to two.

Annex B

Number of Outgoing Exchange Students⁽¹⁾
from UGC-funded Full-time Programmes

<i>Institution</i> ⁽³⁾	<i>2005-2006</i>	<i>2006-2007</i>	<i>2007-2008</i>
CityU	271(3%) ⁽²⁾	304(4%)	374(4%)
HKBU	88(2%)	106(2%)	129(3%)
LU	114(5%)	92(4%)	144(6%)
CUHK	413(4%)	518(4%)	611(5%)
HKIEd	23(1%)	28(1%)	39(2%)
PolyU	352(4%)	439(5%)	498(5%)
HKUST	398(6%)	445(7%)	497(7%)
HKU	363(3%)	451(4%)	480(4%)

Notes:

- (1) Outgoing Exchange Students refer to those students of UGC-funded full-time programmes who enrol in credit-bearing courses in non-local partner institutions for at least one semester (including summer semester) due to exchange activities in the year concerned.
- (2) Figures in brackets denote percentages in respect of student pursuing funded programmes in the respective academic years.
- (3) Including the City University of Hong Kong (CityU), the Hong Kong Baptist University (HKBU), Lingnan University (LU), The Chinese University of Hong Kong (CUHK), The Hong Kong Institute of Education (HKIEd), The Hong Kong Polytechnic University (PolyU), The Hong Kong University of Science and Technology (HKUST) and the University of Hong Kong (HKU).

BILLS

First Reading of Bills

PRESIDENT (in Cantonese): Bill: First Reading.

DISCIPLINED SERVICES LEGISLATION (MISCELLANEOUS AMENDMENTS) BILL 2009

CLERK (in Cantonese): Disciplined Services Legislation (Miscellaneous Amendments) Bill 2009.

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

Second Reading of Bills

PRESIDENT (in Cantonese): Bill: Second Reading.

DISCIPLINED SERVICES LEGISLATION (MISCELLANEOUS AMENDMENTS) BILL 2009

SECRETARY FOR THE CIVIL SERVICE (in Cantonese): President, I move the Second Reading of the Disciplined Services Legislation (Miscellaneous Amendments) Bill 2009 (the Bill).

All along, the Government is firmly committed to upholding a high standard of probity, integrity and conduct in the Civil Service. Acts of misconduct or criminal offences by civil servants are dealt with seriously in accordance with the principles of fairness and impartiality.

We have a proven civil service disciplinary mechanism. Under the mechanism, civil servants in civilian grades and senior ranking officers in disciplined service grades (that is, officers at a rank equivalent to Superintendent and above) are dealt with under an executive order issued by the Chief Executive — the Public Service (Administration) Order (PS(A)O); while middle ranking officers or below in disciplined service grades are dealt with under the respective Disciplined Services Legislation (DSL). Regardless of whether a case is processed under the executive order or the DSL, where the gravity and nature of the misconduct or criminal offence is very serious, the civil servant concerned may be subject to removal punishment.

The existing civil service workforce comprises two main categories of officers appointed under different terms of appointment. The first category refers to civil servants who joined the service before 1 June 2000. They are entitled to pension benefits upon retirement. Should they be found guilty of misconduct or offence of a serious nature during their service, they would be subject to three kinds of removal punishments, namely, dismissal with forfeiture of entire pension benefits, compulsory retirement with reduction of up to 25% of entire pension benefits, and compulsory retirement with entire pension benefits.

The second category refers to civil servants who were appointed on or after 1 June 2000 on new entry terms, and whose retirement benefits are provided under the Civil Service Provident Fund Scheme (CSPF Scheme). Unlike the pension schemes which are "defined benefit schemes", the CSPF Scheme is a "defined contribution scheme". The benefits provided by the Government as an employer under the CSPF Scheme mainly consist of the accrued benefits attributable to the Government's Mandatory Contribution (GMC benefits) and those attributable to the Government's Voluntary Contribution (GVC benefits). Under the Mandatory Provident Fund Schemes Ordinance (Cap. 485, Laws of Hong Kong), the GMC benefits cannot be tampered with under any circumstances. The GVC benefits, on the other hand, are by contract fully vested and paid to a CSPF civil servant when he leaves the service upon completion of at least 10 years of continuous service or under other specified circumstances (for example, retirement, death, permanent incapacity, and so on). The present removal punishments involving the forfeiture and reduction of pension is not applicable to pensionable civil servants (Appendix 1) cannot be directly applied to civil servants whose retirement benefits are provided under the CSPF Scheme.

The first batch of CSPF civil servants will complete 10 years of service by mid-2010 and be fully vested with their GVC benefits when they leave the service. For the effective management of the Civil Service, we need to put in place before then removal punishments which may impinge on the retirement benefits of these civil servants according to the terms and conditions of the CSPF Scheme. With reference to the existing removal punishments for pensionable civil servants, we propose to introduce three levels of removal punishments for CSPF civil servants, namely forfeiture of the entire GVC benefits at the time of dismissal, reduction of up to 25% of the GVC benefits at the time of compulsory

retirement, and retention of entire GVC benefits at the time of compulsory retirement.

The above proposals are developed on the basis of a circular promulgated by the Civil Service Bureau in 2003, which forms part of the employment contract with the CSPF civil servants. The circular sets out in detail the terms and conditions of the CSPF Scheme, and for those civil servants who have been found guilty of misconduct or offence, enables the Government to forfeit or reduce their accrued benefits attributed to voluntary contributions made by the Government, wholly or in part, under the Scheme.

The main purpose of the Bill is to amend the enactments relating to the disciplined services so that certain existing provisions concerning removal punishments applicable to pensionable civil servants can also be applied to certain middle ranking CSPF civil servants or below employed in the disciplined services.

Besides, we also propose three amendments relating to the discipline services welfare funds and punishments through the Bill:

Firstly, to amend the description of former members/employees of the disciplined services under the law so that former CSPF members of the disciplined services with retirement benefits are covered as (Appendix 1) beneficiaries of their respective welfare funds;

Secondly, to change the date of stoppage of pay and allowance for criminal conviction of police officers from the date following the conviction to the date of conviction as is the case for the rest of the Civil Service; and

Thirdly, to provide the punishment of compulsory retirement for a Traffic Warden grade officer who is found guilty of a disciplinary offence, on par with the arrangement for the rest of the Civil Service.

After the passage of the Bill, we will amend the PS(A)O so that the proposed removal punishments for CSPF civil servants are also applied to concerned civil servants in civilian grades and senior ranking officers in disciplined service grades.

We have consulted the staff sides and the Public Service Commission on the proposals thoroughly when drafting the Bill. We consulted the Legislative Council Panel on Public Service twice in October and November 2008. The Panel also invited deputations from all major civil service staff associations/unions to express their views at the latter meeting. The proposals contained in the Bill have incorporated views from the parties concerned where appropriate.

The proposals in the Bill will help complement the effectiveness of the disciplinary mechanism in handling disciplinary matters of the civil service (including CSPF civil servants), especially those concerning misconduct or offence of a more serious nature. This is of paramount importance to the Administration in upholding the integrity and probity among civil servants.

With these remarks, President, I hope that Honourable Members will support the passage of the Bill.

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the Disciplined Services Legislation (Miscellaneous Amendments) Bill 2009 be read the Second time.

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

MEMBERS' MOTIONS

PRESIDENT (in Cantonese): Members' motions. Two motions with no legislative effect. I have accepted the recommendations of the House Committee: that is, the movers of these motions each may speak, including reply, up to 15 minutes, and have another five minutes to speak on the amendments; the movers of amendments each may speak up to 10 minutes; and the mover of amendment to an amendment and other Members each may speak up to seven minutes. I am obliged to direct any Member speaking in excess of the specified time to discontinue.

PRESIDENT (in Cantonese): First motion: Measures for combating drink driving.

Members who wish to speak in the debate on the motion will please press the "Request to speak" button.

I now call upon Mr LEE Wing-tat to speak and move his motion.

MEASURES FOR COMBATING DRINK DRIVING

MR LEE WING-TAT (in Cantonese): President, I move the motion on measures for combating drink driving in accordance with the Rules of Procedures.

President, the Democratic Party proposes this motion today in response to the serious traffic accident caused by drink driving that occurred two days before the Chinese New Year, which resulted in the death of six persons. As we all know, after the traffic accident, the dependants of the dead who were interviewed and the callers to a radio phone-in programme criticized that the laws on drink driving were too loose in the past, and requested the Government to take more stringent measures.

A more unbearable point is that even after the traffic accident that occurred two days before the Chinese New Year, we have frequently heard of traffic accidents caused by drink driving. These drunk drivers seem to be telling us that the current punishment is not deterrent enough. About my motion today, I will focus my discussion on how tragedies caused by drink driving can be reduced through increasing the punishment for the drink driving offence.

The first area that I am going to discuss is about increasing the minimum disqualification period upon first conviction of the drink driving offence. President, the first proposal in the original motion asks the Government to review the punishment for the drink driving offence and increase the disqualification period from three months at present to a minimum of 12 months upon first conviction of this offence. In fact, when the Democratic Party scrutinized the Government's proposal on the disqualification period of at least three months in the Legislative Council last year, Mr Andrew CHENG made the above proposal on behalf of the Democratic Party at a meeting of the Bills Committee. However, the Democratic Party later hoped that the amendment would have the

support of more Honourable Members and made reference to the criteria adopted in places such as Britain; therefore, it proposed increasing the minimum disqualification period to six months.

At that time, the Government, the Democratic Alliance for the Betterment and Progress of Hong Kong (DAB) and the Liberal Party who opposed the amendment, and the Hong Kong Federation of Trade Unions (FTU) who abstained (which meant opposed) gave the following reasons: (a) they thought that a minimum disqualification period of three months would have sufficient deterrent effect; (b) they stressed that a disqualification period of at least 12 months would pose an obstacle to the Court and it lacked flexibility, which would be unfair in cases where the blood alcohol concentration barely exceeded the limit or there were special circumstances.

Concerning these reasons, our response is that the recent tragedies showed that a minimum disqualification period of three months is not deterrent enough. The drivers involved in cases where people are killed or injured would be fined, incur driving offence points and be disqualified for three months at the most. People who have such concepts would be drink driving with our connivance, which will create more social tragedies. I would like to ask this question. After the Government, the DAB, the Liberal Party and the FTU opposed our proposal or abstained last year, how many drink driving tragedies have to happen, how many people have to die, and how many families have to be disappointed before consideration would be given to increasing the punishment for the drink driving offence?

President, during our debate last year, Mr Andrew CHENG pointed out on behalf of the Democratic Party that, before the implementation of the law specifying that drink driving offenders should be disqualified from driving for not less than three months, many judges had made reference to the guidelines of the courts about disqualifying drink driving offenders from driving for 12 to 18 months on first conviction. The Democratic Party does not want our legislative proposal on lengthening the disqualification period imposed on drink driving offences to give the Court a wrong message, and we also do not want to give the public and drunk drivers a wrong message.

President, the Democratic Party has recently interviewed some members of the public on the disqualification period imposed on drink driving offences, and

we got very clear results. Many people support the demand for a substantial increase in the punishment for the drink driving offence. Twenty-five percent of the respondents supported that drink driving offenders should be disqualified from driving for at least one year on first conviction; 16% supported that they should be disqualified for at least two years; and 30% supported that they should be disqualified for at least three years. In other words, nearly 70% of the people supported that they should be disqualified for at least one year. Moreover, when they were asked if they supported that drink driving offenders must be sentenced to imprisonment, over 80% people indicated support and 65% of them supported sentencing the offenders to at least one month's imprisonment.

We certainly know that whether a minimum imprisonment term should be specified for convicted drink driving offenders is a highly controversial issue. In some countries and regions, such offenders will be administratively detained for a day or two while some other countries and regions will not do so. We think that the issue needs detailed examinations and discussions by the community. Thus, the focal point of our discussion today is on increasing the minimum disqualification period. The said poll reflected that people generally support imposing heavy punishment on drink driving.

May I ask the parties and groups that raised objections to the amendment of the Democratic Party or abstained (which meant opposed) how many months they want drink driving offenders to be disqualified from driving on first conviction? Do they have in mind three months, six months, nine months or one year? I do not want ambiguity or the Government's using consultation as an excuse to further postpone the matter. We often ask why they are still so conservative and vague about that when people have already expressed forceful and mature views.

President, I would like to discuss the next point, which is to consider further tightening the legal limit of blood alcohol concentration. On the issue of tightening the legal limit of blood alcohol concentration, the Democratic Party has two points of view. First, the Democratic Party supports considering further tightening the legal limit of blood alcohol concentration because medical studies have proven that, even a small amount of alcohol will cause slowness of reactions, and the effect of alcohol on every individual differs. In the long run, we support taking zero blood alcohol concentration as the target when a driver drives. During this transitional period, a lower limit of blood alcohol concentration, though not zero, should be taken as the standard because there are

other factors for consideration. Yet, we support lowering the limit of blood alcohol concentration so that drivers will try their best not to drink.

However, we have heard that our proposal on tightening the drink driving legislation seems unacceptable to some professional drivers. I cannot agree with them. On the one hand, they do not support increasing the punishment, and on the other, they are not self-disciplined. For instance, according to recent newspaper reports, even after the serious traffic accident that occurred two days before the Chinese New Year, the residents near the site of the traffic accident still found that drink driving was very common among some drivers of cross-boundary vehicles. Furthermore, some professional drivers are driving larger vehicles (such as lorries, container trucks and coaches) and they pose greater threats on other road users and pedestrians, hence, the driving attitude of professional drivers should be taken more seriously.

President, the next area that I would like to discuss is about lodging appeals to the Court by the Department of Justice against drink driving cases with relatively lenient sentences. President, the third proposal in the motion I proposed today requests the Department of Justice to consider lodging appeals to the Court against drink driving cases with relatively lenient sentences. As I have said earlier, people generally think that drink driving cases in the past incurred relatively lenient sentences. We have made reference to some cases; if they did not involve drink driving accidents and casualties, the offenders were normally imposed disqualification, fines or community service orders, and they were seldom sentenced to imprisonment. But now the community generally expects stringent actions to be taken against drink driving, the Department of Justice should lodge appeals to the higher courts (such as the High Court) against drink driving cases with relatively lenient sentences. At present, the community has suggested increasing the punishment for drink driving offences, which include the Department of Justice's transfer of most similar cases to the District Court for trial. If the cases are serious, they should be transferred to the Court of First Instance of the High Court for trial so that heavier punishment would be imposed on the offenders.

President, we can actually make reference to certain practices in the United Kingdom which has already introduced "aggravating factors". The practice has been adopted in respect of drink driving cases in the United Kingdom; specifically, the Attorney General refers some drink driving cases to the Court of

Appeal and asks the Court of Appeal to bring in "aggravating factors". Once the factors are accepted by the Court of Appeal, there will be binding effect on the lower courts; some judges are stricter and some are more lenient, but once "aggravating factors" are brought in, the judges must execute the order. In the past, Hong Kong courts issued heavier punishment guidelines in respect of head-bashing robbers and street deceptions. This practice adopted in the past three years has successfully curbed these offences.

President, the last area of my discussion is about considering raising the maximum imprisonment term for dangerous driving causing death. President, the fourth proposal in the motion I proposed today requests the Government to consider raising the maximum imprisonment term for dangerous driving causing death to the same level as that for manslaughter. Although the law was amended last year to increase the punishment to a maximum imprisonment term of 10 years, the community still considers that the punishment is not enough to reflect the seriousness of dangerous driving. So, I suggest that the Government should consider raising the maximum imprisonment term to life imprisonment. Our opinion poll also shows that nearly 80% of the respondents support the proposal, which clearly indicates the explicit views of the public in this connection. As some people have relayed to us, drunk drivers killed people in traffic accidents; and there is not much difference between them and those armed with knives who killed people. At present under the law, there is a maximum imprisonment term of 10 years, and the judge may not necessarily impose the sentence of a maximum imprisonment term; if a drunk driver who caused death is not prosecuted for manslaughter, objectively speaking, the Government is encouraging a drunk driver to kill.

President, I beg to move.

Mr LEE Wing-tat moved the following motion: (Translation)

"That, as several serious traffic accidents caused by drink driving have occurred recently, which resulted in a large number of casualties, reflecting that the awareness of the danger of drink driving among motorists is still weak, this Council urges the Government to:

- (a) review the punishment for the drink driving offence by increasing the disqualification period to a minimum of 12 months or above

upon first conviction of this offence as well as raising the maximum imprisonment term and fine for such an offence;

- (b) consider further tightening the legal limit of blood alcohol concentration;
- (c) lodge appeals to the Court by the Department of Justice against drink driving cases with relatively lenient sentences so as to allow the Judiciary to formulate more stringent sentencing criteria;
- (d) consider raising the maximum imprisonment term for dangerous driving causing death to the same level as that for manslaughter; and
- (e) enhance public education and publicity to enable motorists to understand the perils of drink driving,

so as to safeguard public safety."

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

PRESIDENT (in Cantonese): Mr CHEUNG Hok-ming and Mr LEUNG Kwok-hung will move amendments to this motion. Ms Miriam LAU will also move an amendment to Mr CHEUNG Hok-ming's amendment. This Council will now proceed to a joint debate on the motion and the amendments.

I will call upon Mr CHEUNG Hok-ming to speak first, to be followed by Mr LEUNG Kwok-hung and Ms Miriam LAU; but no amendments are to be moved at this stage.

MR CHEUNG HOK-MING (in Cantonese): President, during the Chinese New Year, the Chinese especially emphasize the importance of family reunion. When each and every family were busy shopping before the Chinese New Year and getting ready to enjoy the New Year Eve dinner, unfortunately, a traffic

accident that shocked all Hong Kong people occurred two days before the Chinese New Year, that is, on 23 January. A heavy goods vehicle crashed into a taxi on Castle Peak Road, and as a result, six persons including the passengers and the driver of the taxi died at the scene, costing six happy families their breadwinners. It was also discovered after the accident that the lorry driver had been drink driving.

A traffic accident took six lives and broke up six happy and complete families. Evidently, drink driving can cause very serious damages. A drunk driver speeding on the road is much the same as an insane killer armed with a machine gun who may kill people on the road any time.

President, to combat these killers on the roads, we have not been indifferent as there are laws and regulations to be observed in Hong Kong, and law-enforcement officers have performed prosecution duties; offenders must face the sanction of the law. However, the fact is that some members of the community are not prepared to be law-abiding, and they like to challenge themselves and the law.

This is just like the case of a child who fully understands that it is dangerous playing with fire but he likes to play with fire secretly. There is nothing special when he plays with fire for the first time, and there may not be anything special the second time; but once an accident occurs, the situation will become unmanageable and homes would be burnt out. At that time, it would be too late to repent.

The original motion today precisely makes proposals targeting the drink driving problem. The DAB agrees with the spirit of these proposals, and the amendment I proposed has integrated the views of people from various sectors, as well as the practices in overseas regions. I hope that more specific proposals would be made for reference by the Government and discussions by the general public.

First of all, on the legal front, for the sake of making people understand that drink driving will cause serious traffic accidents, we suggest that the Government should formulate a penal code whereby the greater the exceedance of the alcohol limit, the heavier the punishment, so as to enhance the deterrent effect on drunk drivers.

In addition, the Government should review afresh the legal provisions on dangerous driving causing death. In this connection, though the Government increased the relevant punishment from an imprisonment term of five years to a maximum imprisonment term of 10 years last July, quite a lot of people think that an imprisonment term of 10 years is not enough to make up for the innocent victims' loss of lives. Therefore, I suggest that the Government should raise the maximum imprisonment term for the offence. Meanwhile, to raise the community's awareness of dangerous driving, the Government should consider introducing a new offence of "dangerous driving causing serious bodily harm".

President, people often fear death; when heavy punishment is imposed, offenders will naturally think twice before committing offences, which will directly reduce the incidence of crimes. Nevertheless, the situation in Hong Kong is that, the Courts very often imposed lenient sentences on drunk drivers in the past, which gave people an impression that the Courts' judgments were too lenient. On this issue, the DAB respectively conducted telephone interviews in 2006 and 2009. The results showed that more than half of the respondents were of the view that the Courts had imposed lenient sentences, which directly undermined the deterrent effect of the punishment itself.

There are some prominent examples: In 2006, an artiste in Hong Kong twice drove after drinking, but the Court only sentenced him to two months' imprisonment suspended for three years. In 2004, a drunk driver caused the death of a young traffic policeman, and he was only imposed a sentence of 32 months' imprisonment and disqualification for five years. As a result, the general public has much discontent and indignation against the Court's judgments and drunk drivers.

Hence, to relieve the discontents of the public, and to remind the general public of the message of stricter punishments for drink driving, I suggest in my amendment that the Government should urge the Judiciary to formulate more stringent sentencing criteria to suitably punish offending drivers so that they dare not commit the offence again. Besides, the Department of Justice may have to study some past cases that were controversial; when necessary, it can consider lodging applications for judicial review and appeals so as to enhance the deterrent effect on drunk drivers.

President, I believe all of us would like to prevent accidents. So, the Government can definitely not overlook publicity and preventive efforts.

The measure of random alcohol breath tests implemented early this month is one of the most effective preventive measures. Currently, quite a few regions overseas have already implemented such tests for years, and these tests have good results in combating drink driving offences. Thus, I suggest that the Government should utilize this test to the full. For instance, many Hong Kong people like to spend their leisure time drinking on the Mainland. As a long-term measure, the Government should set up checkpoints in places between some border control points and major roads, and deploy more enforcement officers near the major bars and food establishments including the prime places of entertainment such as Wan Chai and Mong Kok, to conduct random stop checks on vehicles for alcohol breath tests.

Furthermore, the Government should consider following the example of having cigarette packets bearing health warnings in Hong Kong, and print the words "drink driving is hazardous to health" on the packages of alcoholic beverages, to remind those who take alcoholic drinks to watch out and not to drive after drinking.

Lastly, I would like to respond to the original motion's proposal of increasing the disqualification period to a minimum of one year upon first conviction of the drink driving offence. The DAB conducted a poll on this issue earlier on and received divergent views. The result showed that 47.6% of the respondents considered it reasonable but more than 40% of the people still thought the punishment too lenient, which reflects that there are divergent views. This reflected that the community still has divergent views on whether there should be heavier penalties for drink driving. Since the community has not yet reached a consensus on this appeal, we suggest the Government should formulate a timetable and conduct as quickly as possible a comprehensive review of the effectiveness of the new provision in law. Then, it should consider responding to people's appeals for further increasing the penalties for drink driving, and increasing the disqualification period upon first conviction of the drink driving offence.

President, the proposals in the original motion and my amendment are just stopgap measures. To eliminate this problem once and for all, we actually have

to start with education, and people should start being instilled with the concepts of respecting and cherishing themselves, and the importance of others' lives when they are children. If each and every driver can value and cherish lives, they will naturally be particularly careful when they drive, and there will then be fewer traffic accidents.

President, Mr LEE Wing-tat just now talked about the DAB's view on this law — about the penalties for the drink driving offence upon first conviction — our attitude is very explicit. The existing law (*the buzzer sounded*) specifies an imprisonment term of more than three months; in the past, the Courts never imposed an imprisonment term of more than three months in similar cases. Hence, the DAB keeps an open attitude and we hope that a consensus can be reached after a certain period of observation; we will state our attitude then. It can be said that what I said a short while ago is inconsistent with what we originally said; I have just clarified this point. Thank you, President.

MR LEUNG KWOK-HUNG (in Cantonese): President, the amendment proposed by the League of Social Democrats (LSD) looks at the drink driving problem from another perspective, which has a direct link with the community's total negligence of the problem of alcohol dependence, commonly known as alcoholism.

I remember that I personally asked Secretary Dr York CHOW a question when we discussed the anti-smoking bill. I pointed out that all of us knew very well the perils of smoking; however, did we know the perils of alcohol dependence? Has the Government made efforts to combat alcohol dependence or alcoholism? He just gave a very simple answer, saying that the Government counselled or treated alcoholics in the same way — only a room or department was tasked for the purpose in the Addiction Treatment Centre.

This practice is obviously disproportionate to the growth of people's knowledge of alcohol dependence. We are now discussing the drink driving problem, and there are many kinds of drink driving. For drivers who are not alcohol dependent, for instance, those who have taken two glasses of alcoholic beverages and think that they have the ability to exercise self-control and drive, if the Government imposes heavier punishment or steps up publicity, especially

imposing heavier punishment, it can definitely stop drink driving. However, for those who are alcohol dependent, such actions do not have any deterrent effect. Even if an alcohol dependent driver has another life, he will still get in a car and drive.

When I lived in Germany, I had a good friend who was a lorry driver. He would drive when he was drunk and he used to drive a long distance, bringing his son with him. I quarrelled with him whenever he wanted to drive after drinking, and I grabbed his son from him every time. I do not know if he has already died from drink drinking and I do not know if his vivacious son is now grown up. What he did is always in my heart; we were very good friends and he was a nice man when he was not drunk. Yet, he became another person when he was alcohol dependent.

Why did I take all the trouble to tell this story as though I was singing a different tune? In fact, I already poured out my feelings to some news reporters. When we initially asked for heavier punishment, I said that we should address two parts of the problem. Concerning drink driving due to alcohol dependence, I absolutely think that the driver in the traffic accident which resulted in the death of six persons is an alcohol-dependent person who engaged in alcoholism.

The community has not discussed the problem at all, which is entirely anti-intellectual. I am not saying that the proposal on imposing heavier punishment is unreasonable, but we have to consider that modern science has proven that alcoholism is a psychological and physiological problem. As we already know, 10% of the people are likely to become alcohol dependent — though they do not want to be so — if the community does not regard this as a disease to be treated, so even if these people are sentenced to capital punishment four times, those alcoholics will still continue to engage in drink driving.

In saying so, I know that I would not win any applause; I would be criticized if the media made distorted reports. Nevertheless, I cannot help saying this because my conscience cannot accept that. I would like to ask the Government to consider this: In advanced countries all over the world, and regions or countries with comparable per capita income and social environment, acts of alcohol dependence and alcoholism are regarded as social diseases to be treated, and clinics have been established for the purpose. If an employee

expressly tells his employer that he is alcohol dependent, his employer will give him leave so that he may quit drinking and receive psychological counselling services. If we do not deal with the problem and just put emphasis on heavier penalties, we will not be able to solve the drink driving problem arising from alcoholism.

Logically speaking, we have not made thorough consideration. I would like to ask Honourable colleagues this question: If the driver engaged in dangerous driving which resulted in the death of six persons was sober-minded on that day, would he have been charged with a less serious offence? He was sober-minded but he wanted to drive faster, and he stepped harder on the accelerator. We are tackling the problem of careless driving; of course, drink driving involves a drunk driver who involuntarily drives in a careless way. Thus, the real problem is that we have to make people raise vigilance so as to prevent careless driving causing death. Actually, many drivers speed because of their personal problems. They drive faster than the speed limit for fun which causes accidents. For sure, alcohol is another factor for consideration insofar as the drink driving problem is concerned. I would like to seek the advice of Honourable colleagues. If society does not put resources on the systematic solution of the alcoholism problem, and it fails to inform the public in a systematic way that alcohol makes people lose self-control, how are we going to solve the problem? The resources I mentioned are investments, that is, we have not acted resolutely and the way in which we are dealing with the alcoholism problem is similar to that in which we called upon people not to be exposed to second-hand smoke. I have not seen the Government do so.

Another problem is that, when the overseas countries curb these acts, they ask people to undergo alcohol tests outside bars so as to raise people's guard. This is what the authorities can do. Would the Hong Kong Government do so? How many resources have we put into this aspect?

The third problem is that we have to introduce a modern device to enable drivers to conduct alcohol tests on themselves before driving. Of course, some may say that, if we really identify drink driving cases by means of a device, a driver who is really going to drive after drinking may ask another person to blow into the device before he drives. In any case, the device can serve as a reminder; why do we not introduce the device?

The fourth point is about a service. What happened to most offenders of drink driving? If a driver is not alcohol dependent, I believe he can drive on his own the following day. For instance, if a driver drives from Wan Chai to Sha Tau Kok like the President, he can take a taxi back home when he is drunk that day, but he has to claim his car in Sha Tau Kok the following day. Therefore, I suggest that a "one plus one" service should be provided, to carry not only the driver but also the car to a certain place. The Government should consider providing such a service.

We should think in this direction when we consider the matter. I have no objections to increasing penalties to deter people from drinking and driving, but we should not think that increasing penalties will certainly achieve deterrent effect for doing so is not wholly appropriate. In countries where capital punishment is imposed, there are more murder offences, which is a fact. I would like to give this explanation: do those who kill others know beforehand that they will be sentenced to death and hung? Hence, if we do not consider from this angle the Government, the alcohol sellers and people who stand to benefit from this, or if we do not ask those beneficiaries to pay some money to advise others against and prevent alcohol dependence, I can put it very simply that I cannot see when we can prevent crimes arising from alcohol dependence in the human world. In fact, such crimes include not only drink driving but also drunk persons raping and battering their wives or using violence on others. Would there be an ordinance to specify that drunken persons who batter their wives would be subject to heavier punishment? There would not be such an ordinance.

So, on this problem, the LSD and I advocate that the Government, the medical and academic sector and social workers must put resources, even considerable resources, into solving the alcohol dependence problem. We can solve the drink driving problem only through discussions on the matter from this angle. I hope my remarks would make the Government or those concerned about drink driving consider the problem from another angle. It has always been my belief that "the sage takes care of all men and abandons no one"; if we simply regard certain people as sinners or sinful people, we are only sweeping the problems under the carpet, and the problems will ultimately break out in another form. I hope that the suggestion of the LSD would arouse concerns and make Secretary Dr York CHOW respond to the drink driving problem.

MS MIRIAM LAU (in Cantonese): President, as the representative of the shipping and transport functional constituency, I have always been supportive of combating drink driving. Not long ago, there were many serious traffic incidents in Hong Kong involving casualties and deaths and these happened because of drink driving. Among those drivers involved in drink driving cases, 80% were ordinary drivers and only 20% were professional drivers. Despite this fact, it is a common view in the transport sector that these irresponsible black sheep of the sector should be severely punished. In the past when the authorities imposed stricter criteria and heavier penalties as well as other measures to combat drink driving, the transport sector had always shown its support. This is because when professional drivers have to work on the roads for long periods of time, they too are high-risk victims of drink driving.

Last year the Legislative Council passed a piece of legislation that served to make the penalties for drink driving stiffer and introduced other measures to increase the deterrent effect. All these are meant to address the problem of drink driving. Unfortunately, before the new law came into force, a serious traffic accident occurred in Lok Ma Chau and made six bereaved families. This tragedy prompted us to rethink the issue of how drink driving can be further combated.

To eradicate the problem of drink driving, the Liberal Party has always thought that the problem must be approached from the three aspects, namely, enforcement, penalties and publicity.

In terms of enforcement, ever since the new law came into force on 9 February, the police are empowered to require a driver to conduct a random breath test without the occurrence of any traffic accident or the need for reasonable doubt. According to expert views and overseas experience, this measure is very effective in combating drink driving. Therefore, the Liberal Party hopes that proactive enforcement actions can be taken by the police and on a sustained basis.

Apart from the bar areas and eating establishments, it is most imperative to set up permanent check points at the border control points and all major speeding black spots. There were reports some time ago that some drivers of cross-boundary vehicles would drink on the Mainland and when the effect of alcohol is still unabated and even as they do not have enough rest, they would

drive their vehicles on the return trip. This accounts for the frequent occurrence of traffic accidents. If this is really the case, the Government must do something to stamp out this kind of undesirable behaviour. I would think that the best method is to sample test these cross-boundary drivers at the border crossing points. This will be most effective in deterring those drivers who risk drink driving. Even if they have excellent driving skills and even if no traffic accidents are caused, it will be difficult for them to evade stop and check and hence risk disqualification from driving or the penalty of imprisonment on account of drink driving.

As for penalties, the new law which came into force after the Lok Ma Chau accident has actually made the penalties for drink driving heavier. Upon first conviction, a driver is liable to be disqualified from driving for not less than — I stress — three months and he is also liable to up to three years' imprisonment. It remains, of course, that accidents causing death will not be prosecuted under the charge of drink driving but by more serious charges of causing death by dangerous driving which carries a penalty of up to 10 years' imprisonment, or even manslaughter. The charge of causing death by dangerous driving is laid by the prosecution with respect to the accident in Lok Ma Chau which happened last month. The Liberal Party remains open about the call for stiffer penalties. We think that the effect of the new law should be observed before any review is to be undertaken. The Liberal Party will support the imposition of penalties which are appropriate and can effectively combat drink driving.

Mr CHEUNG Hok-ming suggests formulating penalties whereby the greater the exceedance of alcohol limit the heavier the punishment should be meted out. Last year, when this new law was being deliberated, I had proposed that the more a driver drinks, the heavier punishment he should incur. However, my proposal was not accepted by the Government and Members did not agree to that either. From the medical point of view, there is a direct correlation between blood alcohol content and the risk of traffic accident. In the recent drink driving incidents, the alcohol contents of the drivers were two to four times above the limit and these accidents were fatal. Therefore, I think that a set of penalties should be introduced whereby the extent of punishment is made progressively heavier with the exceedance of the alcohol limit. In this way, more deterrent effect can be achieved. Similar penalties are imposed in the state of New South Wales in Australia. If it is found that alcohol concentration in the blood is 50 to 80 mg per 100 ml of blood, the driver is liable to disqualification from driving for

three to six months, and not less than six months if the alcohol concentration is found to exceed 80 mg; and no less than one year if it exceeds 150 mg. I think Hong Kong can consider following such a practice.

Now the law in Hong Kong does not have any sentencing criteria on dangerous driving cases according to the facts of the cases. The Liberal Party suggests the Government should consider introducing into the Road Traffic Ordinance the aggravation factor of drink driving in sentencing. The Judge can hand down a heavier sentence in cases where drivers involved in dangerous driving or causing death by dangerous driving are found to have alcohol levels in their blood exceeding the prescribed limit. This will highlight the heavier punishment for drink driving.

In accidents involving drink driving, if the victim is only injured or seriously injured, the authorities cannot press the charge of causing death by dangerous driving. This is because no victim is dead. At most, the charge of dangerous driving can be laid. And for this offence of dangerous driving, the maximum penalty is a fine of \$25,000 and up to three years' imprisonment. This set of penalties is obviously unable to reflect the serious consequences of drink driving.

In order to plug the loophole in law, the Liberal Party suggests that we may model on the practice in the United States and add the provision of dangerous driving causing grievous bodily harm in the law and thus improve on the law in this area.

President, while it is important to combat drink driving, education and publicity cannot be overlooked. Therefore, the Liberal Party agrees that while it is important that publicity efforts should strive to strike home the message that drink driving harms oneself and others, the packaging of alcoholic drinks should be affixed with the warning label carrying the words "If you drink, don't drive". We think that this can produce a great warning effect. The police should also distribute leaflets in the vicinity of bars and this will have some positive effect as well. I also suggest that the Government can forge closer links with the transport sector and pool enough strength to encourage professional drivers to caution each other of the dangers of drink driving and that they should keep a close watch on their peers so that they will not drive after drinking. And the staff of bars and eating establishments can gently remind their clients not to drive

after drinking. We think that a better effect in publicity can be produced in this way.

Lastly, the suggestion made by Mr LEUNG Kwok-hung merits our support. But at present, I think that education and publicity are more important. It is because his suggestion is only suitable for those who are addicted to alcohol, that is, the alcoholics, whereas education and publicity are applicable to all people.

President, I so submit.

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, drink driving has always been a problem we are concerned about. Although the number of accidents caused by drink driving is less than 1% of the total number of traffic accidents, the casualty and death rates are on the high side. Such accidents do not merely affect the drivers concerned but will also make other road users victims. On 23 January this year, a serious traffic accident took place in Lok Ma Chau and six people died on the spot. The breadwinners of six families perished. Like the general public, we feel sorry for this event. This is a serious traffic accident caused by alleged drink driving and it has aroused great public and media concern. A lot of voices are raised in society calling for stiffer penalties and meting out serious punishment to the driver committing the offence of drink driving in order to raise the deterrent effect.

I called an interdepartmental meeting on 6 February and discussed with the main stakeholders in traffic safety, such as Members of the Legislative Council, members of the Traffic Advisory Committee, members of the Road Safety Council (RSC) and representatives of the departments concerned on how to further crack down on drink driving, thus taking the first step in the way forward.

The meeting was most useful. We discussed the problem from a holistic angle, that is, from law and penalties, enforcement and prosecution, as well as education and publicity work. We all held an open attitude and reached a consensus with respect to some major directions in our work.

First, with respect to law, last year we amended the Road Traffic Ordinance and raised the penalties. Since 9 February this year, drivers convicted of an

offence under drink driving provisions are liable to be disqualified from driving for not less than three months on first conviction and no less than two years on subsequent conviction and they are also liable to up to three years' imprisonment, a maximum fine of \$25,000 and 10 driving offence points incurred, as well as being mandated to attend a driving improvement course. We have compared the situation here in Hong Kong with that in Australia and New Zealand, Europe and North America, and places and countries in Asia, it is found that our penalties are broadly in line with theirs.

In addition, the newly amended drink driving legislation empowers the police to conduct random breath tests on drivers. That is to say, if someone drives after drinking and when he is stopped at a road block put up by the police and required to take a breath test and if it is proved that the alcohol content in his blood exceeds the limit, even if no traffic accident has happened or he has not committed any other road traffic offence, he can still be punished under the drink driving law. Those who attended the meeting agreed that this new measure could effectively combat drink driving. We can only draw up amendment proposals to improve this law after we have observed their effect. Such proposals may include those on how to ensure that the proposals are reasonable and practicable, and that they are commensurate with the severity of the offence while an attempt is made to increase the penalties and deterrent effect.

On increasing the penalties for drink driving, we agree that the proposal on different penalties for different extents of drink driving should be introduced. The meaning of that proposal is that the greater the exceedance of the prescribed alcohol limit, the heavier the penalty is meted out on the driver concerned. As a matter of fact, there are precedents on this in the Court and we will study how this principle and the related penalties can be stipulated in the law.

Also, people attending the meeting were supportive of some concepts raised by us. These concepts include the adding of dangerous driving causing grievous bodily harm as well as the appropriate penalties in between the offences of dangerous driving and causing death by dangerous driving. This is to reflect the harm done to persons seriously injured in a traffic accident. Also, a proposal is made to add some aggravating factors to the provisions on dangerous driving and causing death by dangerous driving. For example, if a driver drives under the influence of alcohol and he is found to have committed dangerous driving and

even caused death or grievous bodily harm to other persons, then there should be express provisions prescribing that a heavier penalty should be imposed. We will study whether these recommendations are workable and how they can be put into practice.

As for voices in society saying that the punishment meted out by the Courts is too lenient with respect to improper driving causing death, the Department of Justice and the police have affirmed that the increase in punishment since last July, that is, the maximum term of imprisonment for causing death by dangerous driving being raised from five years to 10 years, has resulted in transferring most of the cases concerning causing death by dangerous driving to the District Courts and consideration is also given to transferring serious cases to the Court of First Instance at the High Court for trial. This will result in heavier penalties for the offenders, that is, imprisonment for up to seven years imposed by the District Court and up to 10 years by the Court of First Instance. This practice serves to respond effectively and immediately to the view that punishment meted out is too lenient.

In the long run, we agree that it is essential that through education and publicity, safe driving and greater awareness of the harms caused by drink driving can be instilled in the drivers. The RSC will co-ordinate work in this aspect. With respect to the strategies to enhance anti-drink driving publicity, the RSC suggests that a thematic approach be adopted to link up various publicity campaigns in order to achieve a greater effect.

The RSC will carry out direct and extensive publicity on the harms of drink driving, and on the random breath test. I believe Members must have noticed that some large signboards have been put up at the entrance of the Cross Harbour Tunnel on the Hong Kong side, as well as the labels affixed to parking meters. We also try to contact more drivers by attaching anti-drink driving publicity leaflets in our correspondence with the drivers.

The RSC will extend its educational efforts on anti-drink driving to the younger generation with a view to achieving some long-term effect. It will make reference to successful overseas experience by considering the placing of wreckages of cars in accidents at the entrance of the tunnels. Another suggestion being considered is to broadcast APIs of traumatic traffic accidents so that drivers can be on heightened alert.

In sum, the main stakeholders agree that the major direction of our work in future should be oriented towards conducting a review of the legislation, referring the cases to the relevant court of law for prosecution and stepping up enforcement, education and publicity efforts. All these moves are meant to combat drink driving in a holistic manner. We will also watch the effects of the new law and the penalties after their coming into force on 9 February. This will serve as reference for us in drawing up new penalties.

President, Members who have proposed the motion and the amendments have made many suggestions. I will listen to the valuable views expressed by Members on measures to combat drink driving. I will respond to Members' views and suggestions at the end of the debate. Thank you, President.

MR CHAN KIN-POR (in Cantonese): President, in these past few years, some serious incidents causing deaths and casualties would happen from time to time here in Hong Kong as a result of drink driving. Just sometime before the Chinese New Year, a serious car accident happened in which six persons were killed. Like all the people of Hong Kong, I was overwhelmed with grief at learning about this accident. I have a great query: Do these drink drivers really know how great a responsibility they have? In fact, apart from moral and criminal responsibilities, these drivers overlook the fact that they may end up being bankrupt after they are convicted.

I would like to tell some facts from the insurance angle to draw the attention of drivers and owners of vehicles, including those owners of vehicles who hire drivers, in the hope that after they have been told these facts, they will remind themselves not to drive after they have drunk and warn the drivers they hire not to do so. As early as since 2002, most of the insurance companies in Hong Kong have stipulated in the contracts of motor car insurance policies that a driver convicted of drink driving will not get any compensation for the accident so caused. According to the laws of Hong Kong, compensation for the injury or death of a third party will be paid out by the insurance company concerned first. Then the insurance company will recover the money from the driver or the owner of the vehicle involved in the accident. In other words, the driver in a drink

driving accident and the owner of the vehicle concerned will not be covered by the insurance policy and so all the compensation they are required to pay are to be paid by them.

A person seriously injured in a car accident may be awarded a stupendous sum of money as compensation. For example, a young person in the prime of his career who suffers permanent paralysis in a car accident may be awarded compensation to the tune of tens of million dollars. For the driver in the accident, apart from having to bear the criminal and moral responsibilities, he may be subject to a recovery action and be required to pay the compensation. If he is unable to pay it, he will have to go bankrupt. So I wish to remind drivers that they should never ever think that once they have taken out an insurance policy, then they do not have to worry about the duty to pay compensation. On the contrary, a driver who has caused injury and death owing to drink driving is highly likely to be required to pay this huge sum of compensation and more often than not, he will have to go bankrupt and his family will suffer.

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

Moreover, I must remind owners of vehicles who hire drivers in a business undertaking that if the driver they hire is involved in an accident caused by drink driving and in which injury or death results, not only the driver but also the owner of the vehicle will have to bear the responsibility. So the employers must watch out for their drivers and warn them against doing anything that will harm not just themselves but others. Also, vehicle owners must be wary of the fact that if they lend their vehicles to other people and if the driver concerned commits drink driving, the vehicle owner will also be charged and be held liable.

In order to crack down on drink driving, I will support the motion today and all the amendments in the hope that this problem of drink driving in Hong Kong can be stamped out.

Deputy President, I so submit.

MR LAU WONG-FAT (in Cantonese): Deputy President, I have always been very concerned about the problem of drink driving and I must say that I feel it grossly repugnant. In May 2006 I raised an oral question in this Chamber on the rampant problem of drink driving in Hong Kong which caused so many injuries and deaths and that the authorities did not exert its best to combat the problem and that the penalties meted out were too light, and so on. The reply given by the public officer in charge at that time gave me a feeling that there seemed to be a lack of a sense of urgency to address the problem, and for the delay in implementing the amendments and penalties on drink driving until as late as the beginning of this month, I think this is far from being able to show the severity of the offence, which is a far cry from public awareness of the problem and expectations in society.

Incidents of injuries and deaths caused by drink driving will happen from time to time and this can be truly said to be a hidden threat to Hong Kong. A shocking tragedy that happened before the Chinese New Year shows for yet another time the severity of the problem which has gone to absurd dimensions. I think that this problem of drink driving in Hong Kong has reached such a state that it can be called unruly, and in such unruly circumstances, the only cure is to apply stiff penalties. When I asked the said question back in 2006, I had called upon the Government to consider amending the laws and raise the maximum penalty for drink driving causing death to the same of that for murder, that is, a life imprisonment sentence, and the maximum period for disqualification from driving on account of drink driving is for life.

Stepping up random checks on drivers and publicity on the harms caused by drink driving are what the Government should do, but in the absence of any penalties on drink driving that bear a deterrent effect, all efforts made will not be very effective.

Deputy President, drink driving is an act that is extremely irresponsible and it shows no concern for the safety of others. It is base and despicable. If no serious efforts are made to combat such behaviour, I think that it is akin to condoning terrorists making a bloody rampage and wreaking havoc on the streets with weapons of massive destruction.

It is incumbent upon the Government to protect the personal safety of the public. It is a responsibility that it can never hope to shirk. When it is said that

administration should be "people-based", should it not find that the most important thing of all is to protect the life of the people? The severity of the problem of drink driving is right before our eyes. The Government should learn its lesson and change its nonchalant attitude of old and roll out as soon as possible measures that can truly bear a deterrent effect and crack down on drink driving on a comprehensive scale. Deputy President, now is the time to take strong action. Do the authorities have to wait till some more traumatizing tragedies have occurred before they decide to act?

Deputy President, I so submit. Thank you.

DR PRISCILLA LEUNG (in Cantonese): Deputy President, I learnt of late two shocking traffic accidents. The first one is well known and it happened three days before the Chinese New Year just past, and six passengers were killed because a driver drank and drove. The other was about a young person I know. She just graduated from the school of law in the New York University. She was killed by a policeman when crossing the road with her boyfriend. That policeman drank and drove. Her boyfriend was seriously injured. These two incidents happened in the same month. That is why I have profound feelings about them indeed.

I heard earlier Mr LEUNG Kwok-hung mention his friend in Germany. A good friend of mine was from France. He was killed in drink driving 20 years ago, driving from France to Italy. He was the first one among my friends who died because of drink driving. He was only 24 then. So drink driving will affect not only the passengers, the pedestrians on the roads, but also the drivers themselves. Drink driving should not be tolerated and this applies not only to young people or people who are breadwinners.

I agree with the many amendments as well as the original motion. In my opinion, apart from enforcing the law on disqualifying drivers from driving or imposing penalties, those who commit the offence of drink driving should be punished and also be required to put on a plate with the letter D on it. We ask that people who have just got their driving licence should put on their car a plate with the letter P. Why do I say that a plate with the letter D should be hung? D of course means drunken driver. These two words start with the letter D. In

the education sector, it means that when a person gets the grade of D, it means he almost fails. Actually, giving a driver a D because of drink driving is not bad at all considering the kind of things that he has done.

There is an event that I will remember to my dying day. It was in 1988 and I was in the Summer Palace in Beijing. I saw a young college student throwing litter. Soon he was arrested by a security officer who hanged a paper card with the words meaning litterbug on his neck. The punishment he got was cleaning up the place with a broom until the next litterbug was caught. It was a very interesting punishment for me as an onlooker, but it was also a punishment that made people feel very embarrassed. I asked the other college students and they said that it was the punishment that they were most scared of, because it would make them really feel very embarrassed. They would all like to look cool and they cared very much about their face.

I believe, just as many Honourable colleagues have said, a person who drinks and drives does not mean to hurt other people. But the car is a powerful weapon in the hands of a driver, and if a driver drinks and drives, he may pose a threat to the lives of many people. I therefore agree that penalties should be made stiffer. When laws are enforced, the enforcement must be strict and people must be made to realize that they have a price to pay if they ever try to be an irresponsible driver. Besides getting the penalty of disqualification, they will think that this is something that will make them lose face. Many of those who are involved in drink driving are young people aged 18 to 19, who will never know how dangerous drink driving could be.

I agree with Mr LEUNG Kwok-hung when he said that it was imperative to carry out community education. But I do not agree with him on the idea that though the penalties should be increased, a driver guilty of drink driving may continue to drive. This will not make any impact on them at all. Even if they may be sentenced to death, they will still drive this way. This I will not agree. At least after this incident has happened, I can see that insofar as many of my friends are concerned, their kids would complain why their parents still drink and drive. They may get some great pressure from their colleagues, too. For those people who do not think they will get drunk or do not believe that drink driving is dangerous or who think that they have super will power and they still drive after they have drunk, I have to tell them, "Do not drive after you have drunk."

I would think that it is really not enough if these people are merely given education or psychological therapy. I agree that there should be some education and therapy, and even to the extent that the concept of a "conscience driver" should be promoted, like what we see these days about a conscience employer or a conscience government. We should also say conscience young people and conscience drivers. When we stress conscience, we are carrying a yardstick with ourselves, so to speak, and we will come to know that for what we do, not only our own life will be affected, but also the lives of other people.

I think after these two cases, we will sense that sharp pain in our hearts and the relevant measures should be able to get the support of the general public. And so the Government can act boldly and decisively. I am sure we will all lend our support to any measures that can serve to increase the efficiency of law enforcement. I really hope that the Government can launch a zero-tolerance policy on alcohol. About zero tolerance for alcohol, there might be some technical difficulties. What is meant by zero tolerance for alcohol? I would think that we should hold some very high standards when it comes to promoting some concepts. This is also an attitude. In other words, a person should never drink before he drives. Thank you, Deputy President.

MR WONG KWOK-HING (in Cantonese): Deputy President, according to statistics, one in every four traffic accidents in Hong Kong is caused by drink driving. We can thus see the severity of the problem of drink driving. Deputy President, vehicles are a means of transportation for the public. But unfortunately, as some drivers do not care about the ethics of driving, vehicles have become deadly weapons.

I have heard a mechanic say to me that there is this guy who often comes to his garage for repairs to his car. He would fix one part of his car this time and the other part another time. The mechanic is bewildered, and he asks this man how come his car needs repairs so often. The answer is that he often gets drunk and so he has to get his car fixed so often. This is really true. It can be seen if serious efforts are not made to combat and penalize drink driving, the drivers will not be on the alert.

Deputy President, a serious traffic accident happened just before the Chinese New Year and killed five steel fixers on a taxi as well as the taxi driver.

The taxi driver is a committee member of one of our trade unions. We were very upset after hearing the news, gravely heartbroken. The breadwinners of six families died all of a sudden. Against the backdrop of the festive spirit of the Chinese New Year in Hong Kong, these six families were drowned in immense sorrow. This is truly tragic. So I agree very much with the motion today and the amendments which urge the Government to crack down on drink driving.

Deputy President, the driver who caused this accident is a professional driver. But I think if anti-drink driving efforts are all directed against all professional drivers, I reckon that these efforts may be going in the wrong direction.

Some information shows that of the drivers involved in drink driving cases, actually 20% of them are professional drivers. The trade union of professional drivers tells me that professional drivers attach great importance to their job and more so their families. That is why 80% of the drink drivers are not professional drivers. In any case, combating drink driving is a responsibility incumbent on the Administration and us in the Legislative Council.

Deputy President, personally I think that there should be zero tolerance for drink driving. As the reaction to alcohol differs from person to person and those who are drunk will always deny that they are drunk. We can see the recent case of the finance minister of Japan who got drunk. We will see what it is like being intoxicated. So I think there should be zero tolerance for alcohol. Those who drink should not drive. Otherwise, they may become murderers easily. I think the driving attitude must be improved. Professional drivers should have a high professional code of ethics as well. All drivers should be serious about this issue. And the Government should step up its publicity and education efforts in order to enhance the driving attitude and driving ethics of the public.

I would also like to make use of this opportunity to implore the Judiciary to penalize drink driving severely. If no stiff penalties are imposed, even if we amend this piece of legislation and raise the penalties, when a case goes to the Court, the Judge may hold a different view. He may make a comparison by taking a cross section approach and so the penalty for drink driving may not be so heavy. Some drink drivers may thus be led to think that they may get away with

the punishment and try their luck. They will always think that they are not drunk and they are sober and they can walk a straight line, and so on. This could happen. So I really hope that the Judiciary can pay serious attention to public opinion and impose stiff penalties on those who commit drink driving.

On the other hand, I also call upon the enforcement agencies to target those people, including professional drivers, who after going to the Mainland to have fun, will drive when they are heavily drunk on return to Hong Kong. The police, in particular, should stop and random check cars on the roads in New Territories North to conduct breath tests. This will hopefully result in some deterrent effect. I hope the Secretary can give an account on the random check statistics on the roads in New Territories North later on to see if there has been a sharp rise in drink driving. This will eliminate the number of drivers who hope to try their luck and evade the long arm of the law. *(The buzzer sounded)*

Finally, we will support all the motion and amendments today.

DEPUTY PRESIDENT (in Cantonese): Speaking time is up.

DR JOSEPH LEE (in Cantonese): Deputy President, today we are discussing measures of combating drink driving.

I believe many of us here know how to drive and do drive. I think we all have had this experience, that once inside the car, we will think that we are the most terrific drivers and our cars are just superb. This is more so the case after a couple of glasses of alcohol. We will think that we are the best driver in the world because we feel good. It is also because of this that harms and accidents are caused by drink driving. I do not wish to talk about these in detail here as they have been cited by Honourable colleagues and reported in the newspaper. These are incidents that we find so repulsive.

I think that the most important thing today is to look at the motion. The speeches made by Mr LEE Wing-tat, Mr CHEUNG Hok-ming, Ms Miriam LAU or Mr LEUNG Kwok-hung all dwell on much the same point and, that is, how best to combat drink driving. The first is to raise the standard of the test. All

sorts of ways are put forward on that and all share the same goal, that is, to raise the standard.

The second is to tighten the penalties to achieve a greater deterrent effect. Mr LAU Wong-fat, for example, has pointed out a while ago that that stiff penalties should be used in such unruly circumstances. By stiff penalties it means that penalties have to be made more severe before people are deterred from doing it.

The third is about methods, such as more stringent sampling methods and allocation of more resources, and so on. Mr CHEUNG Hok-ming has talked about setting aside more resources to enable more frequent checks and samplings, hence making less people drink drive.

On penalties, Hong Kong is really lenient in that. Why am I saying that? Just look at two sets of penalties on the Mainland: one is that people are punished when they drive after they have drunk; and the other is that people are punished if they drive when they are drunk. The penalties are entirely different from ours. For the motion today, irrespective of which Honourable colleagues have spoken, there is only one aim and, that is, to combat drink driving. Against such a backdrop, Mr LEUNG Kwok-hung also pointed out that action to combat the problem is not enough, for the authorities should give counselling to the offenders. Will the Government respond to that view and should a review of it be undertaken after it has been in force for some time?

I have read through the original motion and the three amendments. I find that though the wording used may be different, the intention is entirely the same. This most undesirable act of drink driving must be combated. I support the original motion and all the three amendments. I hope Honourable colleagues, though they may come from different parties and groupings, or they may have different backgrounds, can put aside their differences and unite as one to support the motion and the amendments.

The most important thing is that I hope the public will know from this day on that in this Council, all parties and groupings with different backgrounds all urge the Government to take on a serious stand in that issue and combat drink driving. Certainly, the Government is duty-bound and it should do what it should do, by say, adopting administrative measures or revising the laws, and

even increasing resources in law enforcement and improving the related methods. All these moves should be made to meet public expectation on cracking down on drink driving by all means.

I hope Members can all support this motion after debate. This is to make the Government know that this Council wants the Government to take serious actions about this problem. Also, a clear message can be struck home to the public that this Council is very serious about this problem. Thank you, Deputy President.

MR IP WAI-MING (in Cantonese): Deputy President, I think many Honourable colleagues have talked a lot about the consequences of drink driving. On the 24th of last month, a serious car accident happened in Lok Ma Chau and six people were killed. The incident shocked everyone in Hong Kong. People once again came to know the harms of drink driving. Actually, the Government has in recent years made great efforts in publicizing the dangers of drink driving. We can often see on the TV those repeated calls made about "If you drink, don't drive". However, figures on drink driving have not gone down but up. This may be due to enhanced police enforcement efforts. According to figures from the police, the number of prosecutions initiated against drink driving is 1 490 cases, which represents an increase of 5.2% over that of last year. Of these cases, 82 led to injury and death. On average, one in four drink driving cases will lead to injury and death. If we read those news stories, we will find that drivers charged with drink driving are all sorts of people; they may be young people, middle-aged people, new licence holders and experienced drivers. They may be artistes, doctors and even driving instructors and law-enforcement officers, and so on. We think that since a few glasses of wine can make people lose their reason and sense of judgment, then as lawmakers, we should use more laws to alert and warn these people who drink and drive so that they will not put themselves and others at risk once they are on the road.

Deputy President, in the accident that happened in Lok Ma Chau last month, one of the deceased was a committee member of our trade union. On that day, I went with colleagues from the trade union and offered our condolences to his family. We were grief-stricken to see a colleague who had worked together with us in the trade union and someone we often met and greeted could

have departed all of a sudden, leaving a family engulfed in grief. We could not come to terms with this event. Feelings swelled in us. A couple of days ago, a funeral service was held for the taxi driver concerned. I also attended it. I saw his family members and had a deep feeling that drink driving really could do a lot of harm to people. We think that this accident did not just take away six lives, but actually the families of these workers are also affected. Counting the family of the drunk driver, seven families are affected. Would it be worth it when people just crave for some drink before they drive and so cause terrible consequences much to their regret? We hope that every driver can think twice before he drinks. As unionists, we have always taught professional drivers and the workers that as they work hard to make a living, they should be mindful of road safety and they should think about themselves and other people and drive safely. They must never speed for convenience's sake or drink drive. Therefore, we from the Hong Kong Federation of Trade Unions (FTU) are supportive of actions to combat drink driving. We think that with public support, the Government, the Courts and the police should step up their efforts to penalize the offenders and so make our roads safe. This will be a good thing for the professional drivers and passengers as well.

Deputy President, with respect to the motion moved by Mr LEE Wing-tat and the several amendments, we from the FTU will lend them our support. In particular, with respect to the penalty for first conviction, we think that it should be made stiffer in order to deter drivers from trying their luck. In addition, part (c) of the original motion mentions that the Department of Justice may petition the Court against drink driving cases with relatively lenient sentences. This is a demand which our trade union and the trade have always advocated. In fact, after the amended Road Traffic Ordinance has come into force this month, the maximum penalty for drink driving is a fine of \$25,000 and imprisonment for three years, and the term of imprisonment for causing death by dangerous driving is as long as 10 years. But if the Courts are lenient to the drink drivers, then even if there are more penalties, it will not help the situation. So if the Department of Justice can lodge appeals with respect to cases with relatively lenient sentences, then the drivers will realize how serious the consequences of drink driving can be. We will give our full support to this proposal.

With respect to Mr CHEUNG Hok-ming's proposal on stepping up enforcement action at cross-boundary control points, as well as the bar areas, we

from the FTU think that is essential. This is because there are many highways along the boundary in the New Territories and they are fast and straight, and as there is not much traffic at night, many drivers may think that they may not run into an accident so easily even if they drink and drive. So enforcement action should be stepped up in these high-risk areas. Mr LEUNG Kwok-hung made a proposal on therapy and counselling for alcoholics at the community level. He approaches the problem from that of alcoholism and suggests that assistance should be given. This is also a solution to the alcoholism problem. It is also a proposal which the FTU supports. Regardless of how the enforcement action, penalties and counselling for drink driving are to be enhanced, we hope that the Government can first consult the public and listen especially to the views of trade unions and the trade concerned, for this will dispel the misapprehensions among the professional drivers.

With these remarks, Deputy President, we support the motion and all the amendments. Thank you.

MS AUDREY EU (in Cantonese): Deputy President, many Honourable colleagues have mentioned in their speeches the car accident that took place three days before the Chinese New Year, which affected at least six (or it may even be seven) families. Six of these families have lost their breadwinners. I recall that after the tragedy had occurred, much discussion took place on the radio, newspaper and even in my facebook. We all say that there should be zero tolerance and that strong actions should be taken to combat drink driving.

Deputy President, the Civic Party has pondered on this issue. There is a well-known saying and I think the Deputy President knows it also, that is: "Hard cases make bad law". That is to say, when people meet tragedies, it is easy for them to make some reflex actions, just like after the September 11 attack, people would demand that strict actions be taken on many things. It is with the same argument in mind that we should be wary in dealing with this case.

In addition, the Civic Party has also considered that the working hours of some professional drivers, especially drivers of container trucks, are very long. Not only do they have to drive trucks but they may have to spend long hours waiting. When they drink two glasses of beer during their short break, the

alcohol content in their blood may have already exceeded the limit. If this act disqualifies them from driving for a long period of time, it will affect their living and that of their families. Therefore, this issue should be handled carefully.

Having considered all related aspects, the Civic Party's position with respect to the motion "Measures for combating drink driving" is similar to that of the many Members who have just spoken, and that is, there should be a clear message on it and that should reflect the consensus so reached in society.

First of all, I would like to do some recap and talk about the previous occasion on which an amendment was proposed with respect to drink driving. Mr Andrew CHENG proposed that drivers found to have committed drink driving should be disqualified from driving for no less than six months. At that time we supported the proposal. As for the motion moved by Mr LEE Wing-tat today which suggests that drivers whose alcohol content in their blood found to have exceeded the limit should be subject to a disqualification period of a minimum of 12 months or above upon first conviction, this is doubling the disqualification period of six months in the amendment proposed last time. Then are we to lend our support to it?

Deputy President, I have already pointed out that we have considered this issue very carefully and the factors we have taken into account include Actually, drink driving can certainly be avoided. As pointed out by Mr LAU Wong-fat some time ago, drink driving is as destructive as terrorists wielding weapons of mass destruction. If the Government does not crack down on it and impose severe penalties, not giving the people concerned a clear message, then this is grossly unfair to other road-users, just like the passengers in the taxi in the accident mentioned above.

We have asked taxi drivers this question — both Dr Margaret NG and I frequently travel by taxi. As they are professional drivers, we would like to know what they think. Their response is like what Mr LEE Wing-tat has found out in his survey and it is very consistent. They also think that drink driving is unforgivable and must be severely punished. Although they are also professional drivers, they agree to that view. Actually, this shows more or less that they have a certain respect and demand for the profession and trade that they

are working in. If any of their peers drive despite an excessive alcohol level in their blood, they cannot tolerate it.

So after pondering over this issue, I agree with what Dr Joseph LEE said in his speech earlier, that although different political parties and groupings may think differently on the penalties, their goal is the same, and that is, they hope that the motion and all the amendments can get the support of all Members. I wish to make it clear here that after consideration, the Civic Party supports the original motion proposed by Mr LEE Wing-tat, that a disqualification period of at least 12 months should be imposed on offenders of this offence upon first conviction. However, we think that this proposal is not exclusive. Though Mr CHEUNG Hok-ming has deleted this proposal in his amendment, the aim of his amendment is also to increase the penalties in this aspect.

Thus no matter what the result of the voting is, I hope that both the Government and society can get a clear message, that is, the Legislative Council really hopes that the Government should undertake a review of the offence of drink driving as soon as possible and also of all kinds of work mentioned in the motion, including education and publicity. Recently, the newspapers reported that some bars took joint action and advised those customers who were not yet drunk but whose alcoholic content might exceed the prescribed limit in a test that they should think of other ways of going home. Or some safe transportation service can be offered to them. All these are good moves to take and should be explored by society.

Deputy President, on behalf of the Civic Party, I urge the Government to conduct a review of the issue of drink driving and impose heavier penalties so as to reflect society's view on the issue. I hope that all drivers can be encouraged not to drive after they have drunk, lest they would risk their lives.

Thank you, Deputy President.

DR MARGARET NG (in Cantonese): Deputy President, many Honourable colleagues have talked about the issue of legislation today, but I would like to talk about point (d) in the original motion proposed by Mr LEE Wing-tat, that is, "consider raising the maximum imprisonment term for dangerous driving causing

death to the same level as that for manslaughter". I wish to talk especially about this point on manslaughter.

Deputy President, it takes time to enact laws and the facts of each and every case may not be given full recognition in the course of law making. But in terms of prosecution, we can do something right now. Talking about the offence of manslaughter, under common law, reckless driving causing death already constitutes manslaughter. Such an offence already exists in common law and penalty is determined according to the facts of the case concerned. But the maximum penalty is imprisonment for life. So if heavier penalties are to be imposed, it is quite an easy thing to do and provided that the facts of the case call for it, such a goal would have been achieved instantly if a charge of manslaughter is pressed against the defendant.

In 1995, there was a case in the House of Lords in the United Kingdom which was about manslaughter by gross negligence. That is, a kind of manslaughter by gross negligence causing death. It would be quite appropriate if we apply the standards in this case on drink driving or dangerous driving causing death. The name of this case is *Adomako*. In this case, the House of Lords in the United Kingdom worked out a rule and defined what manslaughter by gross negligence is. The first test defining such an act is whether or not the defendant owes a duty of care to the deceased in the circumstances at that material time. The second test is that whether or not his act of omission has caused the death of the deceased. The third test is whether or not his act has reached the extent of gross negligence. If these three criteria are met, then the person can be convicted of manslaughter. As for the sentencing of this offence, it will have to depend on the degree of gross negligence at that time.

So although this case is only about gross negligence causing manslaughter in a general sense, it is totally applicable to drink driving or dangerous driving. First, when any driver is driving, he owes a duty of care to all other road users and he cannot put their safety at risk. In addition, the driver should know very clearly that when he has drunk or if he still drives after drinking a lot, this kind of act of omission is highly probable to put other people at risk. It would be plain enough and does not require any proof if an accident causing death happens after he drinks and drives.

In many of the cases in the past, Deputy President, there is a case being tried now, so I am not in a position to comment on it, but in other cases, if

someone still drives a heavy vehicle after drinking a lot, that is, the alcoholic content in his blood exceeds the limit by a great margin, but he still drives at a great speed on the road, would this be regarded as an act of gross negligence?

Deputy President, I talked with the Secretary for Justice briefly today about a recent Court of Appeal case. This is a case lodged by the applicant named POON Wing Kay. The case arises out of the fatal consequences of a race between two public bus drivers competing for passengers. In this case, he advances the view that if this dangerous act has reached the extent of reckless disregard for the life and safety of other people, would this not constitute an act of gross negligence? So if gross negligence constituting manslaughter is used in considering drink driving causing death, then Deputy President, I would think that this is something the Secretary for Justice should look into. This is especially so because there is flexibility in the offence of manslaughter and the more serious the act of gross negligence is, the more the person concerned has a reckless disregard for the life and safety of other people. It follows that the penalty meted out must be heavier.

Therefore, I think that in such matters, what should be done is not only that Members demanding stiffer penalties in this Council or asking the Court to impose heavier penalties, but that the Prosecutions Division and the Director of Public Prosecutions should make a greater effort and look at the evidence more closely. If the evidence shows that the facts of the case would require a charge of manslaughter, then such action should be taken. For if not, if the threshold is lowered, though a conviction can be easily secured, it would be difficult to mete out a heavier penalty. This is because a Judge cannot just hand down a stiffer sentence because the public thinks that the case is very serious. He must weigh the liability of the defendant against the evidence presented in the Court. So the Prosecutions Division should do something more and on our part, we do not have to wait until the law is amended to do anything, and there is also no need to do what Ms Audrey EU has just said, that is, worrying that it is easy to enact laws but if an across-the-board approach is used, there could be at times a possibility that the facts of some cases might not lead to the desired result. But if consideration can be made at the prosecution stage, then this situation can be pre-empted.

Deputy President, I therefore wrote to the Secretary for Justice in January to express the hope that the Secretary for Justice could consider the offence of

manslaughter in making prosecutions. My worry is that the prosecutions initiated by the Secretary for Justice in recent years all tended to hand the cases over to the District Courts for trial. But there is a jury in the High Court and members of the public can take part (*the buzzer sounded*)

DEPUTY PRESIDENT (in Cantonese): Speaking time is up.

MR JAMES TO (in Cantonese): Deputy President, recently I have talked with some people who are well-versed in Japanese law. They told me that in Japan, there is an interesting piece of law which is related to the topic today. If someone drinks and drives, he will of course be prosecuted. But the person sitting next to the driver will have to bear the same criminal liability. I thought about it at the time and wondered why it was like that. Upon further enquiries, I found that their line of thinking was that if that person is sober and even if he is not, once he is inside the car driven by that drunk driver, he will have the responsibility to stop that driver from driving. If the passenger sitting next to the driver is also drunk, then how can he possibly stop the driver? However, in most circumstances, that person is sober. In that case, he should stop that driver from driving.

I have cited this example not because I wish to ask the SAR Government to enact laws modelled on this piece of legislation. However, this makes me think that in many of the drink driving cases in Hong Kong, especially when some accidents have happened, can we not sum up some circumstances so that we can prevent such things from happening?

There are many such cases every year. I do not know if the Government will collect information or try to find out the background of such cases. For example, has it found out how many cases are like this: some person is drinking alone and all by himself, or he may also be singing in a karaoke establishment all by himself, and he gets heavily drunk. Then that person may leave and drive alone. How many of the cases are like this? How many cases are there of a group of people taking part in a function and drinking together? Certainly, someone would drive after leaving the place, some would take a taxi and some would take a bus. Or some people may live very near and in the building just next door. What I mean is that can we sum up the various circumstances which

happen when some people drink and drive. As far as I know, because I have talked with people in the community, some of my friends also drink while some do not. So I would like to know under what circumstances they will drink and drive. Then whom they met finally — touch wood, I do not mean seeing them for the last time. I hope they will not be knocked down and killed by a car or knocking someone down and killing him.

As far as I know, at times and actually, some people would drink alone. But in many cases, people would drink as a group. When they drink together, they can have more fun. Each year we from the Democratic Party would have a meal with public officers and even the Chief Executive. The Chief Executive or the Chief Secretary for Administration would bring along some wine. Actually, Members from many parties and groupings have had that experience, too. We would be very careful. As we have the meal together, we will know for sure who drink and who do not; or who would drive and who would not. So we should remind each other beforehand that we should look after our friends so that they will not drink and drive or drive after they have got drunk. If we know that our friends drive and when they have got heavily drunk, but we still let them drive home, then we are allowing our friends to court death. If we do not warn our friends, I am afraid we will have to bear a great responsibility in our conscience.

I think that we may put our focus on some particular points in our publicity efforts. What we are saying now and what our APIs are saying is that if you knock down someone's mum or dad, the person will be very miserable. That is why we find many horrible images trying to discourage people from causing such tragedies, that we should not knock down and kill someone's dad, for he is the head of the family and he has to feed his wife and kids. But have we ever thought of using another strategy? We need to care for our friends and certainly we will not want to lose any one of them. We do not want an old pal of ours to die. We do not want to see him killed because we do not stop him from drink driving. I am saying this not because I want to make Members bear a great moral responsibility when we drink with our friends. However, if we are the persons who are the last ones to see our friend when he drinks and drives, although we do not have that Japanese law, I would think that we are still the persons who have the last chance to stop these things from happening and stop our friend from killing someone's dad.

Hence I think that with respect to promotional strategies, we can look for some different circumstances or focus our publicity efforts on certain points, such as how certain circumstances can be grouped together for the purpose of laws making. Let us start from the source. Suppose we may start from the bartender or the person in charge of a bar, but they may say, "If we dissuade other people from drinking, would this not mean that our business will be affected?" But I would not think so. Because on the other hand, if they dissuade their clients from driving after they have drunk, they may keep a client. Because he may come next time, instead of getting killed in a drink driving accident on that occasion or knocking someone down and killing him, such that he come the next time and thus a client is lost.

I think if we focus our efforts on these circumstances in our publicity efforts, there is a good chance that some results can be achieved. For example, we can make publicity efforts like this in places selling alcohol or in places of entertainment. This will enable people in those places to know that we are actually living in the same society and we must all make an effort together. Honestly, that bartender or the person in charge of that restaurant or Chinese restaurant may never know who the person may be killed by his client, maybe it turns out to be his own kid, no one knows. So I think we can adopt some techniques or strategies in promotion and pay more attention to the audience, and carry out our publicity efforts in a way that will really bear in the right direction. This I expect will achieve some results.

MR CHEUNG MAN-KWONG (in Cantonese): Deputy President, a tragic accident happened in Lok Ma Chau before the Lunar New Year while everybody was filled with jubilation. It was a bolt from the blue and plunged families of the deceased into grief. They were so grief stricken that they fainted in the street. It was just too appalling that no one could bear the sight of it. The drunken driver has caused a monstrous disaster, taking away six human lives and tearing seven families apart. Even to die a hundred times is no atonement for his heinous crime.

The howling and wailing of families of the deceased is repeated again and again on the television. Agitated with emotions, they questioned Donald TSANG and then kneeled on the ground and begged the Chief Executive to "get

his job done" by severely punishing the drunken driver. It is really too sad and shocking. Although the family of the drunken driver also uttered cries for anguish, felt like sinking through the ground for shame and begged for forgiveness, a grave mistake, however, is made and dead is dead. Who can recall the life of those who were wronged and driven to death? Who can solace the grief of families of the deceased? Everybody knows the harms of drink driving. If the Government and the Legislative Council still do not wake up, the people of Hong Kong should feel sorry for them.

The people of Hong Kong are unanimous in their demand: to take severe measures against drink driving. Since the punishment is too light and the Legislative Council is not making strict laws on this, some drivers simply take the catastrophic result of drink driving lightly. News of traffic accidents due to drink driving are still reported after last month's Lok Ma Chau tragedy as if the blood was shed in vain. For the past five years, there were 715 casualties caused by drink driving, which included 16 instantaneous deaths. The community always kicks up a row whenever a road crash happened as a result of drink driving. Then the whole community suffers from collective amnesia and the problem of drink driving remains unresolved. The dead end is that drink driving keeps happening and the community keeps forgetting about it. This is a lesson that warrants deep thoughts by the people of Hong Kong.

Last year, when the Legislative Council scrutinized the Road Traffic Legislation (Amendment) Bill 2008, the Democratic Party had proposed an amendment to increase the disqualification period for drink driving offenders on first conviction from not less than three months proposed by the Government to 12 months. Rejected by the Government, the Democratic Party conceded by reducing it to at least six months. However, the Secretary's response was that the Court would deal with the cases according to their specific circumstances. The pro-government parties also defended the Government and rejected our amendment. Now, the dead cannot come back to life and it will be of no help even though we try to find out who is to blame. The six lives lost in the Lok Ma Chau accident are now grievously calling on the Government and the Legislative Council: To punish with severity drink drivers, without tolerance or indulgence.

The Democratic Party has upheld the same arguments all along, and that is, drink drivers should be punished by law and should bear the serious

consequences of breaking the law. Even if they have not caused any death, they will be disqualified from driving for a long period of time. We believe that a longer disqualification period will have a greater deterrent effect on motorists or professional drivers and bring the message to society that drink driving will be severely punished.

The majority of drivers who drink are too confident of themselves or trust in luck that they can drive after drinking, not to mention that the maximum period of disqualification is only three months, which is the same for a full deduction of 15 driving-offence points. Thus, the deterrent effect is minimal. When the law is not stringent, offenders are condoned. Today, in CHEUNG Hok-ming's amendment, the proposal of the original motion that the disqualification period be increased to a minimum of 12 months is deleted, which is a blatant contradiction to the mainstream public opinion and a failure of learning the lesson of blood. Life is above anything else. There should be no more favour or defence for drink driving which will cause injuries to people, including those who are innocent, do harm to both culprits and victims, with repercussions on their families. We therefore oppose the amendment and hope that other political parties and groupings will adopt an unequivocal position and do justice to the people.

Deputy President, I am a representative of the education sector, and a father. Hence, I would like to say a few words as a parent. The Chinese idiom says, "Do not impose on others what you yourself do not desire". Who would like to see his family being torn apart by drink drivers? Who would like to see his own family members being wrongly killed by drink drivers? All minds think alike, you do not want to be the driver who ruins other people's families. The wheels of the vehicle you drive should not shed the innocent blood of others. Those who drink before driving or want to drive after drinking should think about their families or other people's families. A Chinese saying goes, "Do reverence to the elders in your own family and extend it to those in other families; show loving care to the young in your own family and extend it to those in other families." The most important thing for humans is to survive. Survival is the dream of every Chinese family. These are natural sympathies. We should consider others in our own place and refrain from drink driving. I also urge the schools to make use of their weekly assembly to ask their students to remind their parents not to drive after drinking. Drink driving affects your life. Reminding

parents to pay attention to safe driving sometimes can be very influential. Children's caring advice can often be more powerful than publicity and law itself.

Deputy President, I so submit.

MRS SOPHIE LEUNG (in Cantonese): Deputy President, the tragic accident occurred before the Lunar New Year has plunged six families into great grief. As some Members have said, we all lamented at seeing such an accident on the television.

I would like to say a few words on this. I tried my best to send some compassionate money to these six families through a friend before the Chinese New Year so that they could have some happiness and help. Besides, I also hoped that this could sooth their hearts. But when they were visited by our representatives, they cried bitterly. In expressing their gratitude, they also indicated their reluctance to see a repeat of such tragic incidents, which have demonstrated that "the road is like the mouth of a tiger ", in which the breadwinners of some families, their loved or respected ones have vanished as ashes all of a sudden without cause.

In my opinion, the Legislative Council, when dealing with this issue in the future, should pay attention to the motto "the road is like the mouth of a tiger" we often heard in our childhood. Should we continue to let those who have problems in controlling their limbs or with low sensitivity drive recklessly and dash around in the tiger's mouth? I believe everybody in the community should be able to do some introspection, asking themselves whether they should behave in such a way. On seeing that some people have committed drink driving, I asked them what they felt when they did so. Some said that their awareness was vague, thinking that they could drive, and some said that they just wanted to drive home although they had no idea of their mental state.

Although I believe if the concept of zero tolerance is incorporated into the ordinance, it may not be accepted by society, I do think there is a need to vigorously promote the concept of zero tolerance in public education.

I am very glad to hear Mr CHEUNG Man-kwong's remark that promotion efforts should first be made by the schools and students can advise their parents

not to commit drink driving. I think it is a very good idea and we should work together to put this into practice. But I would like to point out that if the students take up such promotion work, they should do it from the perspective of zero tolerance and keep their vigilance all the time. They should remind their parents not to commit drink driving because those who were killed in a car accident were others' children, others' fathers, or others' siblings. Why should we treat others' parents, others' children and siblings in such a way? I hope we can promote the concept of zero tolerance to the whole community from this perspective so that no one will lose his sense of responsibility and no one will be incapable of bearing his responsibility under the influence of alcohol. We should maintain the safety of roads so that the roads are safe to all users. Thank you, Deputy President.

MR RONNY TONG (in Cantonese): Deputy President, I have to declare an interest first. I will drink a glass or two of red wine when I was happy and eating with my best friends, but I am not so fond of wine that I will be unhappy without it.

Deputy President, Hong Kong people's eating habits have been changing gradually over the past decade. According to some relevant figures, Hong Kong people have caught up with the rest of the world in the consumption of red wine and brandy and ranked first in the world in terms of consumption amount. Here, I am not blaming the Financial Secretary for reducing the wine duty last year, which has stimulated the consumption of red wine. However, figures have reflected that the problem of drink driving is worsening. According to the figures provided by my assistant, there were only 60 traffic accidents caused by drink driving in 2001, but the figure jumped to 107 in 2007. Currently, the annual average number of drink driving cases is 96. These figures, which are chilly but cannot be ignored, have terrified us whenever we see a tragic traffic accident.

Last year when we scrutinized the Road Traffic Legislation (Amendment) Bill, I was grateful to the Democratic Party for proposing the increase in penalties. Unfortunately, the DAB and the Liberal Party were holding diverse views. Today, we see that the Democratic Party has moved this motion, but the Liberal Party and the DAB may still have different opinions. Many people said that we should not make "immediate reactions" in response to some most

blameworthy traffic accidents as this may lead to over-reaction, or even an overkill.

In fact, I have pondered over this issue for a long time, especially because I am fond of drinking a glass or two of red wine. I have thought about this carefully: What is our conclusion if drinking is compared with smoking? Deputy President, smoking and drinking are personal behavior and rights, bearing the same chance of causing harm to others' health or safety. Smoking may cause cancer to non-smokers, although the chance is slim according to scientific evidence. But this cannot be ignored. Moreover, it will take several years or even more than a decade to cause cancer to another person and the time is really long. Nevertheless, our society has still followed the international standards and smoking is strictly prohibited in public places like cinemas and restaurants. Even in parks, only a small area in each park is designed as smoking area.

Comparatively, we cannot prohibit others from driving although there are always other road users in any driving environment. You cannot find a place in the world where you are the only driver because road users include not only motorists, but also pedestrians, cyclists and those pushing trolleys. If restrictions are imposed on people in respect of smoking and drinking, but we cannot absolutely ban people from driving, then, in comparison, should heavier penalties be imposed on driving offences? However, can this problem be solved by increasing the penalties? I think the problem cannot be solved because many people, when committing drink driving, would not have thought that they would be jailed, or they could not control their cars or even think through any judgment. However, I think an increase in penalties will certainly carry a considerable deterrent effect. And most importantly, this will make people around the drink driver or his family members realize that such a deterrent effect will have considerable impact on themselves. Frankly speaking, for a family of four with the husband as the breadwinner who is jailed because of drink driving, the financial situation of the family will be adversely affected no matter how long the imprisonment term is. So, the advice of his family or friends will be much more appropriate and more convincing than the advice of the Government as a "parent-like official". However, I think this is not enough. Deputy President, we still have to consider in what other ways some people's lifestyle or culture of driving after drinking can be changed.

Deputy President, every one of us is changing and I am changing, too. But I believe the Government has a lot of means to help drinkers change their

lifestyle and culture. For example, should more advertisements be posted up at locations where liquors are sold? At locations where cigarettes are sold, the posting of warning of "smoking is hazardous to health" is required. Why can the warning of "Do not drink and drive" not be posted up at locations where liquors are sold? Now there are many other proposals, such as the provision of taxi service at restaurants or bars. The chairman of the Hong Kong Automobile Association said that currently there are service providers who drive the motorists' cars home. *(The buzzer sounded)*

Deputy President, I think measures for changing of culture should not be overlooked. Recently, some new inventions have even been introduced in the market. Some of these, for example, are scientific installations for cars. If the driver is drunk, he will not be allowed to drive because the equipment can detect the smell of alcohol. I think this is absolutely safe, but the cost may be quite expensive. The above-mentioned views are polarized. In my opinion, we should try to change the eating habits of Hong Kong people in concerted efforts. I think we can achieve the objective if we work together. Before we can achieve the objective of changing Hong Kong people's culture, there is a need to make appropriate amendments to the law so that people will face up to the problem. I therefore fully support the Democratic Party's motion. *(The buzzer sounded)*

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

MR ALBERT CHAN (in Cantonese): Deputy President, concerning the problems associated with drink driving, especially the issue of making causing death to another person due to drink driving manslaughter, I had repeatedly raised this point in this Chamber and the Panel on Transport on various occasions when drink driving was discussed. I thank Dr Margaret NG for her arguments and precedents cited for our reference in a bid to clarify certain viewpoints in law.

It is a very serious offence to cause the death of another person or put another person's life at risk by drink driving. The severity of the problem has been ignored by society for many years and the Government has also adopted a lax attitude towards such a problem in the absence of political pressure. As a result, only after the occurrence of these serious deaths and casualties did the

Government draw a lesson from the bitter experience and make a complete change in its attitude.

This is the Government's long-standing practice. As long as nothing disastrous has happened, the Government will not care. Take the problems in Tin Shui Wai as an example. Although I have discussed them for six years, the Government turned a deaf ear to them until a family of three jumped to death, thus sending a wake-up call to the Government. There is no exception to the Government's reaction every time. Over the past few years, we have pointed out that there are a lot of container trucks in Hong Kong and asked the Government whether it would designate some specialized passages for them in areas where the traffic flow of trucks is busy. Such an arrangement has been put in place in many cities in the United States, particularly the container port areas, where passages for container trucks and other vehicles are separated so as to reduce the nuisance caused by container trucks to residential areas or minimize accidents.

We have also repeatedly asked the Government whether some roads would be proposed or designated for purely residential access, thereby prohibiting the entrance of heavy vehicles. The Government remains reluctant to listen to our views, particularly concerning the prohibition of access by container trucks to some roads. As some truck drivers may have to pick up and set down school children, they have to drive their trucks into some residential areas. Despite the fact that such a situation does occur, the Government has turned a blind eye to it. So, I hope the Government can change such an attitude. That is, do not wait until something disastrous has happened and refuse to heed good advice.

The amendment proposed by my partisan, Mr LEUNG Kwok-hung, is insightful because he does not drive and can look at the problem in a more sober attitude. I think he is definitely a more frequent bar patron than the Secretary and no other Members will have a better understanding of the problems than him. So, he has realized how serious the problem is on seeing that one's health is damaged as a result of alcoholism or one's behavior is subject to the influence of alcohol. In fact, the problem of domestic violence due to alcoholism is very serious and very common at the district level, too. Given that people have tired of hearing the national anthem after hearing it for so many years, I hope new public education programmes can be provided at 6 pm, the media's prime time. It may be a 30-second or one-minute broadcast on the harmful effects of alcoholism or informing the public that they should seek help when they have

encountered such a problem. A one-minute public education programme will be more meaningful than broadcasting the national anthem.

Deputy President, the Legislative Council should do some soul-searching regarding the drinking of liquors. Two days ago, I told you, Deputy President, that the display of liquors in the dining hall of the Legislative Council is disgusting to me because Members should not drink during lunch or dinner time when a meeting was still in progress. If Members of the Legislative Council are doing improper things themselves but blasting the others in the Chamber, they are like a cat weeping over the dead mouse, right? So, I hope that, starting from tomorrow, if Members are taking a meal in the Legislative Council Building when a meeting is still in progress, they will instruct that these liquors be put away. Perhaps this issue should be discussed by the Legislative Council Commission again. No Member should drink in the Legislative Council Building when a meeting is in progress, right? They should set a good example for the people.

A former Member of the Legislative Council who was notorious for drinking and babbling when speaking at meetings has set a bad example of the Legislative Council. In my opinion, the Legislative Council is a solemn place for discussing current affairs and so some bad habits left over by history should be corrected. We should not think that it is awe-inspiring to display liquors on the table. I hope we can eradicate such bad habits as early as possible.

Deputy President, regarding the question of how to combat drink driving, I think we can consider a number of points. I remember that in some cities and towns in the United States, when the police found that a driver's alcohol level has exceeded the legal limit, they may exercise their power of arrest and arrest the driver immediately and take him to the police station. The driver will be detained until the alcohol in his body has evaporated. Whether or not he will be prosecuted afterwards is another matter.

In my opinion, this measure is worthy of consideration. If a person still drives even though he cannot control his behavior as his alcohol level has exceeded the legal limit, then he is, to a certain extent, irresponsible for his conduct. If the authority initiates prosecution against him afterwards, it will be quite time-consuming. If he is a professional driver and if he is prohibited from driving for one year, his livelihood will be affected. However, if he is arrested immediately — regardless of whether he is a rich man driving a Rolls Royce or a

poor man driving a worn-out car, he will be arrested immediately if he drives when his alcohol level is found exceeding the stipulated limit and detained in the police station until the alcohol in his body has evaporated and he has become sober.

I consider such a measure quite feasible. If drink drivers are detained in a police station for one night, I believe the chances of them repeating such an offence will be very slim and the impact on the public of their behaviour will be minimized. If such measure has been implemented in other regions, I believe the effectiveness can be reference for us.

I hope the Government will learn a valuable lesson from the recent incident and listen to the views of various sectors before formulating new initiatives for combating drink driving in an effective manner. Meanwhile, publicity, treatment and rehabilitation should be pushed ahead concurrently, so that the problems of alcoholism and drink driving can be ameliorated in a comprehensive manner.

MR LEE CHEUK-YAN (in Cantonese): After the occurrence of the incident on 23 January, I arrived at the scene immediately and offered sacrifice to the dead with other workers and their families immediately. What impressed me most was that on seeing the Chief Executive, the workers unequivocally requested him to urge the Government to take actions because government effort in the past was not enough, thereby resulting in the accident on that day. Perhaps I should say a few words for the Government. The comment that government effort is not enough may be related to whether or not we can reach a consensus in the Legislative Council because the Government can find an excuse for itself on the grounds that there is no consensus in the Legislative Council if a consensus is lacking.

Today, I am very disappointed at the DAB's proposal that the disqualification period be at least three months. This shows that the DAB has not made any effort to study the issue. As the current disqualification period is three months, if the DAB proposes that it should be at least three months, then the current penalty of imposing a three-month disqualification has already included the proposal of "at least three months". Then there is no need for any change. The Government said some Members in the Legislative Council have proposed that the disqualification period be at least three months, while our

recommendation is 12 months, thus implying that there is no consensus in Legislative Council. So, in my opinion, Members of the Legislative Council should join hands to give the Government a clear message that this is our duty. What should the Government do? If we have sent a clear message that a consensus has been forged but the Government does not follow it, then it has shown too little respect for life.

However, if we are unable to reach a consensus because life is not regarded as important; if we think the disqualification period should be specified as at least three months, meaning that a three-month disqualification period is considered adequate, then I think the message to the Government or the entire community will also be very undesirable. I think we should strike home a very clear message, that is, life is the most precious and we have to respect life. The accident on 23 January involved six lives and six families. After the accident, we organized a fund-raising activity in which more than \$4 million was raised, thanks to the support of Hong Kong people. But after discussions with the family members of the deceased, they told us that their husbands were the most important, their fathers were the most important and money could not compensate for their loss because both their families and their hope for the future had been shattered. Of course, we will exert our best efforts and Hong Kong people are very sympathetic. The funds raised can alleviate their grief and boost their confidence in the future. But money is really not very useful, for it is remedial in nature and it cannot compensate the dead of their lives.

Therefore, our most important duty is to prevent the unreasonable sacrifice of life. I very much hope that, as I just mentioned I am very disappointed at our failure to send a clear message to society. However, in any case, regardless of whether we could strike home a clear message or not, the Government should tell all people in Hong Kong clearly that on the issue of drink driving, it will certainly take actions to eliminate it and strengthen the deterrent effect of legislation. In fact, concerning the problem of drink driving as a whole, not only are professional drivers being targeted, all motorists are required to abide by the law. Quite the contrary, many professional drivers are very disciplined, despite the existence of some black sheep. Most of the professional drivers are very disciplined. So, if provisions are made to specify heavy penalties, a very clear message will be sent to the professional drivers. We really should not stake other people's lives because drink driving is gambling with others' lives. Therefore, I hope that in the future all motorists in Hong Kong will

treasure other people's lives. If all of us treasure others' lives, and if the Government has laid down clear and heavy penalties with deterrent effect, I believe drink driving will eventually be reduced or totally eliminated.

After arriving at the scene on that day, I discussed the incident with the police officers who also felt helpless. The police said that even though they had arrested the drink drivers after a lot of hardwork, the Court may let them go easily. As a result, even though the police have worked very hard to arrest or initiate prosecution against the drink drivers, the Court could let them go unpunished, thus sending a very wrong message, that the problem is not taken seriously and drink drivers are not punished with severity. So, I hope the Government will tighten up the law on the one hand, and the Court will realize the standard of society or what is not tolerated by society on the other. Finally, I hope heavy penalties will be imposed on drink drivers. Thank you, Deputy President.

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

MR CHIM PUI-CHUNG (in Cantonese): Deputy President, although this is not my field of expertise, I would like to say a few words because I do not intend to speak on the next motion.*(Laughter)*

Deputy President, concerning the issue of drinking, I do not have a conflict of interest today because I seldom drink presently due to an illness two years ago and I do not know how to drive. So I just wish to express my personal views from my understanding of various aspects.

Deputy President, drink driving is a very serious social problem. In our understanding, Hong Kong, compared with other regions in the world, is a much safer place to drive, except a number of expressways in the New Territories. In other countries, actual vehicular speeds are often higher than that in Hong Kong because the distances between cities are even greater than that between different regions of Hong Kong. Once a traffic accident has occurred in front, the vehicles behind it cannot dodge quickly. In any event, drink driving is a very serious social problem in Hong Kong as well as in other parts of the world and should be tackled with from various aspects.

First, the most crucial factor lies in education, that is, to advocate the sense of values among people. As we all know, accidents are accidents which will involve casualties. It is undeniable that one will express a greater concern than anyone else if the injured or dead is one's family no matter one is rich or poor. Given such circumstances, I think the Government should start with education first so that the people will know they have to respect others and themselves. Some Members pointed out earlier that the schools should be taken as the starting point in enhancing the understanding of the whole community so as to reach a consensus. Insofar as education is concerned, we should understand that drink driving and treasuring what we have are interrelated. So, I hope publicity and education can be taken as a special starting point.

Besides, some colleagues have mentioned that drink driving is tantamount to manslaughter, or even put forward other arguments. Let us look at the Courts and laws of Hong Kong. If we really want to make drink driving manslaughter, the drivers, in my understanding, do not intend or have no intention to cause harm to other people even though they are seriously drunken. But their acts have caused injuries to other people. Since they have not made any preparation or planning for it, they should not have committed such an offence. Many lawyers are aware of this. Even if the defendant is charged with manslaughter, he will be jailed for several years only. So, if it is proposed that such an offence will attract an imprisonment term of 10 years, the Court may have to ponder over the enforcement.

Secondly, this will also involve the administration of justice and judicial decision. As far as I know, if the Government has initiated prosecution or proceedings against somebody, it may advise the Judge of the sentencing. Of course, no Judge will be subject to any influence under the laws of Hong Kong. But this is self-deceiving because many Judges cannot but accept the agreement reached by the prosecution or defence. This has proved that the sentence is negotiated by both sides before a final decision is made on the penalty. Hence, the Courts should not say how great they are because they have never adhered to this principle. After all, history tells us that sentences have been meted out in such a way. So, under such circumstances, the prosecution can in fact make a petition to the Court for heavier sentences to be imposed on the defendants in some particular cases. Of course, the final decision is made by the Court on its own. I therefore opine that an imprisonment of 10 years is quite enough

(Dr Margaret NG raised her hand)

DEPUTY PRESIDENT (in Cantonese): Dr Margaret NG, do you wish to make a point of order?

DR MARGARET NG (in Cantonese): I would like to ask Mr CHIM Pui-chung to clarify one point he just made

DEPUTY PRESIDENT (in Cantonese): Mr CHIM Pui-chung, would you like to clarify?

MR CHIM PUI-CHUNG (in Cantonese): Yes, I am willing to. This proves that Dr Margaret NG as a

DEPUTY PRESIDENT (in Cantonese): Mr CHIM Pui-chung, please sit down

MR CHIM PUI-CHUNG (in Cantonese): She should sit down first. As a representative of the legal profession

DR MARGARET NG (in Cantonese): Deputy President.

DEPUTY PRESIDENT (in Cantonese): Mr CHIM Pui-chung, if you are willing to

MR CHIM PUI-CHUNG (in Cantonese): Absolutely

DEPUTY PRESIDENT (in Cantonese): Mr CHIM Pui-chung, please sit down. Dr Margaret NG, what do you wish Mr CHIM Pui-chung to clarify?

DR MARGARET NG (in Cantonese): Deputy President, it is most surprising to hear Mr CHIM Pui-chung say that the prosecution and the defence will reach an agreement on sentencing which will then be complied with by the Court, since sentencing should be the Court's judicial function. Would Mr CHIM Pui-chung please clarify the basis of his argument?

DEPUTY PRESIDENT (in Cantonese): Mr CHIM Pui-chung, please continue. Please clarify this point if you are willing to.

MR CHIM PUI-CHUNG (in Cantonese): Deputy President, I would like to thank Dr Margaret NG for giving me the opportunity to show off and demonstrate my understanding of laws. As there are two senior counsels, one barrister and some other lawyers in this Chamber, what I refer to is a case which was tried in the High Court more than a decade ago and you can look up the records if you like. A Judge indicated that he originally did not accept the outcome but the prosecution and defence I can tell you the name of the case, that is, the Carrion case with which I am most familiar. If Dr Margaret NG, as a representative of the legal profession, is not familiar with this case, she could look up the records, thank you. So

(Dr Margaret NG rose again)

DEPUTY PRESIDENT (in Cantonese): Dr Margaret NG, are you seeking an elucidation from Mr CHIM Pui-chung again? Mr CHIM Pui-chung, are you willing to clarify?

MR CHIM PUI-CHUNG (in Cantonese): I do not want to debate here, if

DEPUTY PRESIDENT (in Cantonese): Mr CHIM Pui-chung, please continue with your speech.

MR CHIM PUI-CHUNG (in Cantonese): We can discuss it afterwards if she is interested.

DEPUTY PRESIDENT (in Cantonese): Well, Mr CHIM Pui-chung, please continue.

MR CHIM PUI-CHUNG (in Cantonese): So, Deputy President, I have to point out that the crux of the problem lies in the fact that the Government may ask the Judge in court to express a grave concern over a case and mete out a heavier sentence. Of course, as I mentioned earlier, the final decision still rests with the Court. I hope she will agree with me.

Most importantly, the Government should have foresight and do not tackle a problem urgently when it has become irremediable after the occurrence of a series of incidents. For example, we have often criticized the Secretary for failing to solve the problem of the Western Harbour Crossing. If the issue is delayed for three years again after three years, it would take a total of 12 years. Should the Government solve it in such a way? By then, she will no longer be the Secretary. So, the Government should pay attention to issues concerning people's livelihood, and listen to people's views attentively and sincerely.

Finally, Deputy President, I would like to say that an accident is an accident after all. Although the community will make special preventive measures and pay special attention to some matters, accidents will occur and they are inevitable. As they are inevitable, we can only ask the Government to be fully prepared for their occurrence by all means. But once an accident has occurred, we should be brave enough to bear and accept it. Only in doing so can the families of the victims or the community as a whole make further improvement out of their grief. In this connection, we, as Members of the Legislative Council, should discharge our duty and do what we ought to do.

MR WONG YUK-MAN (in Cantonese): Deputy President, all countries in the world are rigorously combating drink driving because human life is at stake. The Government was certainly shocked by the traffic accident on 23 January.

However, it is most dangerous if the Government indicates that appropriate measures will be taken in response to the occurrence of one or two traffic accidents in view of their great impact on Hong Kong people.

We certainly support combating drink driving. In his amendment, LEUNG Kwok-hung has proposed some remedial measures and counselling services, apart from rigorously combating drink driving. I think his proposal is worthy of our support because the original motion has only urged for increasing the penalties in a bid to combat drink driving. However, in what way should medical facilities for treating alcoholics and community counselling centres for them to receive appropriate treatment and counselling be set up, so as to enable them to understand the perils of drink driving? Not to mention that excessive drinking is also harmful to health. I therefore urge Members to support LEUNG Kwok-hung's amendment.

Speaking of the Government's attitude of adopting responsive measures, if it is a proactive and capable government, it will certainly implement measures appropriate to the situation and incidents. But our Government does not act in such a way. It cannot size up the situation and take appropriate measures accordingly. On the contrary, it can only do what seems to be suitable in response to the occurrence of an incident, pretending that it should do something on the basis of public support. But what did it do beforehand? As Mr CHIM Pui-chung said, it fails to consider thoroughly and never faces up to the problem of drink driving squarely.

Some people may deny this, saying that some relevant legislation has been amended to increase the penalties. However, it is impossible to combat drink driving by merely raising the penalties because it is impossible to put drink drivers behind bars for decades. It is impossible to follow the practices in foreign countries (I have no idea of the exact wordings of their laws) where other charges, such as manslaughter, can be pressed against drivers who have committed drink driving causing death. That is, the defendant can be charged of manslaughter under certain circumstances.

In LEE Wing-tat's original motion, he has also mentioned this point. But I think this is a serious matter and should be dealt with cautiously by the Government insofar as the criteria are concerned. Is the killing of one person not manslaughter, but the killing of six persons is? I think there is a need to

study this matter very carefully and measures should not be taken just because of one incident as this may give rise to the need of amending the law again in future. Consequently, we will be getting into trouble when more problems have arisen as a result of combating one problem.

In respect of rigorously combating drink driving, I agree with Mr CHIM Pui-chung's view that the Government should step up publicity efforts during ordinary days and court cases should be discussed from time to time. Apart from Radio Television Hong Kong which can serve as the Government's propaganda machine, there are also many newspapers and media, most of which are pro-establishment. Furthermore, the public also support this. Publicity effort should be stepped up through these media so that the people will realize the perils of drink driving, the harms it will do to other people's lives and to the drivers themselves.

Frankly speaking, you may feel guilty if you have killed someone because you are drunk when driving. Apart from penalty, you may suffer a heavy blow psychologically or even depression. Some people may say that this is your retribution, but it is another matter. We are actually telling the drivers that drink driving is very dangerous.

Several members of the League of Social Democrats (LSD) are very fond of drinking, and some of whom are very fond of driving, too. So, we have repeatedly stipulated that no LSD members are allowed to drive after drinking if they have to drive. We will even consider passing and adopting such a provision in our charter. But for the time being, we will convey our common view to all members verbally. Insofar as drinking is concerned, "Long Hair" will have no problem because he cannot drive. It does not matter if he drinks when watching football matches. However, some of his companions in watching football matches have to drive. If they give him a ride after drinking, it may lead to an accident. So, we now first of all advise our partisans that they cannot drink if they have to drive. I think this message is the most important. The Government should disseminate this message from the top to the bottom, or spread across the whole territory so as to imbue such a notion to all Hong Kong people and all motorists.

Now let me talk about my son's case. He is fond of drinking very much. But living in the United States, he has to drive and thus cultivated a habit that he

will ask someone to give him a ride whenever he goes out to drink since he has begun to drink because he is too afraid of the stringent measures against drink driving in the United States. He has kept such a habit in order to avoid drink driving, even if he has only taken a glass of beer. This is his habit. The practices of his peers' and the local legislation of the country where he lives have made him think that this is necessary.

In my opinion, the Hong Kong Government has not exerted enough efforts in this aspect. I have made no exaggeration and this is the fact, Secretary. Now we often see the anti-drug publicity urging people not to take drugs, such as "Say no to drugs". We have grown tired of watching these and they are not effective at all. Frankly speaking, government publicity is basically the worst, or else it will not cause a lot of troubles to itself. In respect of government publicity on drink driving, it has to find some people who are more creative to design some promotional material, be it a video, hard copy or poster, which makes people thrill and keep their vigilance.

Now, there is a good example which is not about drink driving but about an official who has to step down because of drunkenness. How shameful the Japanese Finance Minister is, right? He has to step down immediately. The Government should remind the people of such examples. So, whenever I had the opportunity to meet "Uncle Fat" — not the "Uncle Fat" in this Chamber — I would tell him: Take a look at yourself. I really want to make a video on you with a camcorder so that you can see yourself and find that you are so ugly. So, a person will lose control of himself when drunk.

So, I think the Government should step up its efforts in publicity and education instead of relying only on legislative amendments in order to increase penalties as a solution to the problem. Thank you, Deputy President.

DR PAN PEY-CHYOU (in Cantonese): Deputy President, the funeral of the taxi driver involved was held the day before yesterday. As staff of the union, we miss this taxi driver very much because he was also an active unionist. This traffic accident which claimed six lives has indeed reflected the magnitude of the problem of drink driving. I would like to briefly talk about why alcohol will affect the driving behaviour of a driver and where exactly the problem lies.

Alcohol is very strange in that it will affect the human brain. There is a certain type of receptors in the neural cells of the human brain, for reasons unknown. As a matter of fact, the case is that there are some alcohol receptors in the human brain. Alcohol can have multi-faceted effects on a person's mental state. First of all, it will cause intoxication. The fact is whether a person is drowsy or in a sober state of mind is determined by a reticular formation in the neural system in the brainstem, and alcohol will affect the function of this system and cause fatigue and intoxication. Secondly, alcohol will affect a person's motor co-ordination, that is, we can walk, run or perform the action of lifting objects when we are in a sober state of mind. The performance of these actions requires control and co-ordination of the limbs and all the muscles. However, as alcohol can weaken such co-ordination, we will find that a person who is drunk cannot speak clearly and may walk with an unsteady gait or even fall on the ground because the motor function of his body is affected.

Alcohol will also bring about slow sensory perceptions. What we call sensory perceptions include the ability to see, that is, vision, hearing, the sense of touch, and so on. A normal person who can respond to external stimuli may react very swiftly and quickly figure out what the stimuli is. However, under the influence of alcohol, his reaction will be much slower. Alcohol will also affect our ability to exercise moral restraints. When a person is in a sober state of mind, he knows that he should refrain from certain conduct, either for legal reasons or because of some established social norms. Therefore, when a person is in a sober state of mind, he can exercise self-control and refrain from such conduct. However, under the influence of alcohol, this self-control will gradually weaken and disappear altogether. Therefore, he may be susceptible to acts which he may never perform when he is in a sober state of mind and he may regret it afterwards.

Alcohol will also release the emotions which are normally suppressed. These emotions, which can be a feeling of melancholy, excitement, high spirit or nervousness, can be released by alcohol. Normally, the human brain puts these emotions under control to enable the person to lead a normal life. However, the effect of alcohol may change all these. As alcohol will have effects on different aspects of a person, including his behaviour, perceptions and state of mind, it will also affect a person's judgment. Of course, judgments are multi-faceted. For

example, how we should cross the road, and whether we should turn right or left when driving; and more complicated ones include those relating to our daily life, such as whether we should pay certain fees, whether we should do this or do that; all of this will be affected by alcohol. Therefore, in many tragedies, such as incidents of violence, suicides, self-inflicted injuries, accidents or even other crimes, alcohol has a very prominent role to play. These are findings of studies.

After going through this information, we realize that alcohol has a very strong effect on a person's behaviour and state of mind. It is thus not surprising that alcohol will have such a strong effect on the driver. A person driving on the road is like a person holding a weapon in hand. The situation will really be unthinkable if a person who is in an unclear state of mind and intoxicated is allowed to go around with a gun in hand because it is indeed too dangerous. Actually, a vehicle can be more destructive and dangerous than a gun.

When studying this motion, the FTU also considered whether our drivers' union would be concerned about it. Actually, the response we received from the union was that they understand that they should approach the issue from a broad perspective, and they acknowledge that public safety is far more important than the well-being of a single trade; besides, members of the trade have agreed that they must maintain a sober state of mind at work and must not work under the influence of alcohol. Therefore, they appreciate the relevant penalties.

Therefore, I believe that people who have developed a habit of drinking have to make a change from now on. If they really wish to drink, they must not drive; if they have to drive, they must not drink. In fact, public transport in Hong Kong is extensive, efficient and well-developed. Therefore, I believe this minor restraint will not cause any serious inconvenience to the general public.

I so submit.

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

(No Member indicated a wish to speak)

DEPUTY PRESIDENT (in Cantonese): Mr LEE Wing-tat, you may now speak on the amendments. You may speak up to five minutes.

MR LEE WING-TAT (in Cantonese): Deputy President, first of all, I would like to thank the many Honourable colleagues for participating in this discussion. This time, there are two amendments and one amendment to an amendment.

I will first discuss the Deputy President's amendment to an amendment. Her amendment is more technical and we have no objection to its wording. However, upon discussion among our caucus, as her amendment was proposed in response to Mr CHEUNG Hok-ming's amendment, which we do not agree with, and I will explain why later, we will abstain from voting on her amendment to the amendment.

Mr LEUNG Kwok-hung's amendment mainly seeks to, within the framework of my original motion, set up medical facilities for treating alcoholics and providing medical support for them. This we totally agree. Therefore, we support Mr LEUNG Kwok-hung's amendment.

We do not agree with Mr CHEUNG Hok-ming's amendment. As I pointed out in my earlier speech, when this piece of legislation was introduced last year, Andrew CHENG proposed an amendment to it on behalf of the Democratic Party. Originally, we intended to set a disqualification period of one year for the drink driving offence upon first conviction, but many Honourable colleagues disagreed. Then, Andrew CHENG consulted the Democratic Party internally and all of us hoped that the penalty could be increased with the support of various political parties and groupings. Therefore, the proposed duration of this penalty was subsequently reduced to half a year. However, the amendment still did not receive adequate support and was thus negated.

We do not hope that this situation would recur, in the Chamber of this Council. I mean this time a serious tragedy which claimed six lives has occurred, and six families, all of which are innocent, have been affected. Therefore, I think at this stage we should not just use the vague wording of "increase" in relation to raising the penalty for the drink driving offence upon first conviction.

Just now, we listened very attentively to Mr CHEUNG Hok-ming's speech, which was actually very well-written. He said that two days before the Lunar New Year, all these six families for reunion and spend the Lunar New Year joyously. He also pointed out that these six families were very happy before this incident, which claimed six lives, and he said that this driver's behaviour of drink driving was no different from a frantic murderer's indiscriminate firing of a machine gun. As he had put it so seriously, there was no reason for him to delete the main point of my original motion on the disqualification period and make it so vague in his amendment.

Neither he nor his colleagues mentioned the detail of the "increase" in their speeches. Is it an "increase" of half a month, three months or three and a half months, or is it an increase from three and a half months to four months? What exactly is it? I think this practice is — as I would put it — extremely undesirable, and I think it is also base and disgusting. Now that there is a public outcry, he expressed agreement to increasing the penalty for the drink driving offence, but instead of stating a clear stance, he just deleted the wording stating the others' stance. In his remark, he indicated that he was strongly against the behaviour of drink driving and found it disgusting. We call this an act of "seeking political advantages" and changing side swiftly to reap the maximum advantages. When facing the public, he presented a firm attitude against drink driving, but in his amendment, he just deleted the main point of the original motion. Therefore, Deputy President, sorry, the Democratic Party does not agree with Mr CHEUNG Hok-ming's amendment.

(THE PRESIDENT resumed the Chair)

I hope Members can bear this in mind. Last year, when Mr Andrew CHENG proposed his amendment, both the DAB and the Liberal Party opposed his amendment, and at that time, I already sounded a warning. Now, another incident has occurred, and I hope that similar incidents will not recur in future. As I pointed out just now, why do we still not review the situation when a life, such a precious life, is lost? May we ask the DAB how many painful traffic accidents must occur and how many people must die before they support the Democratic Party's proposal of raising the penalties? Thank you, President.

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, I am grateful to the many Members who have spoken on the motion. The Government shares with the Legislative Council's views, that we should combat drink driving by adopting a multi-pronged approach including perfecting the existing legislation, stepping up law enforcement, launching publicity and education.

To begin with, let me provide some background information on the current situation of traffic accidents. All along, we have made a lot of efforts in improving road safety. For example, the Road Safety Council (RSC) will hold a series of publicity activities targeting at drink driving and other traffic accidents every year and outstanding achievements have been made. In 2007, the traffic mortality rate of Hong Kong, which was on the low side among other major cities in the world, ranked the seventh, second only to Tokyo in Asia. Over the past five years, the average annual number of traffic accidents involving casualties caused by drink driving is about 94, representing 0.6% of all traffic accidents, thus reflecting that the existing legislation and penalties have achieved certain deterrent effect, and certain degree of effectiveness has also been achieved in terms of law enforcement and publicity. However, since the number of fatal and serious injuries traffic accidents involving drink driving is higher than the overall number of fatal and serious injury of traffic accidents, we will maintain our vigilance and continue to do our best to combat drink driving.

Last year, when we amended the Road Traffic Ordinance, we introduced a series of measures to improve road safety. These include: to increase the maximum imprisonment term for the offence of causing death by dangerous driving to 10 years; to disqualify a drink driving offender from driving for not less than — I stress — not than three months on a first conviction and require him to attend a driving improvement course on a mandatory basis; to introduce random breath tests; to extend the probationary driving licence (that is, P licence plate) scheme to drivers of private cars and light goods vehicles. The existing legislation relating to drink driving in Hong Kong is not lax compared with that in other countries and regions. Earlier, Members mentioned that drink driving offenders should be disqualified from driving for not less than three months. In fact, this issue had been discussed on various occasions, including meetings of the Transport Advisory Committee (TAC) which has also discussed it in detail. Compared with other regions where random breath test has been introduced, the penalty of "not less than three months" is on a par with theirs. Of course, the

Court may consider other factors involved in the case, such as whether the drink driving offence has led to any traffic accidents or injuries, before meting out penalties. To be fair to Mr CHEUNG Hok-ming, his amendment does not insist that the *status quo* be maintained. Rather, it is hoped that the increase of penalties should be decided after our review report has been completed.

Regarding the maximum imprisonment term of three years for drink driving, it depends on the circumstances and evidence in each case. If a driver causes the death of another person by drink driving, he can be charged with causing death by dangerous driving and liable to the maximum imprisonment of 10 years. Since the maximum penalty for the offence was doubled only in 2008, the Department of Justice and the police have referred the majority of cases to the District Court for trial.

Members also mentioned earlier that the Secretary for Justice will apply to the Court of Appeal for a review of the penalty if he considers the penalty of some cases too lenient or too heavy. In 2008, the Secretary for Justice applied for review of three cases by the Court of Appeal on the grounds that the penalties were manifestly too light for dangerous driving causing death.

In respect of law enforcement, Members will all agree that the police have started to set up roadblocks at various locations in five police land regions to conduct random breath tests on drivers from the very early morning of 9 February after the new legislation came into effect. The locations include the roads near the cross-boundary control points, major bar areas, restaurants and the roads nearby, which are the prime concerns of Members. In the first three days after the new legislation had come into effect, the police mounted 19 operations, in which random breath tests were conducted on a total of 460 drivers, four of whom were found with alcohol concentration above the prescribed limit and would be prosecuted with the offence of drink driving. Overseas experience has shown that random breath tests have the strongest deterrent effect on drivers trusting to luck. I am confident that this instrument will be effective in Hong Kong in combating drink driving. Most importantly, the community as a whole will change the mentality and attitudes of motorists in response to the new measure, that is, as Members have just mentioned, "do not drink and drive." The police will continue to carry out operations on appropriate days, at suitable time and locations, and will closely monitor the effectiveness of random breath tests. Relevant information will also serve as the basis for our review of the

maximum imprisonment term and minimum period of disqualification for drink driving legislation.

Just now, Members mentioned the concept of the so-called "zero tolerance". According to the existing drink driving legislation, which was enacted in December 1995, the legal limit is 80 mg of alcohol per 100 ml of blood. In October 1999, the legal limit was tightened to the current standard of 50 mg of alcohol per 100 ml of blood, which is higher than that in the United Kingdom, New Zealand, Singapore and Canada. It is very stringent as far as international standards are concerned. We will continue to look into whether there is any room for further tightening of the legal standard. However, if zero-tolerance standard means that no alcohol should be detected when the test is conducted on a driver and even 1 mg of alcohol on breath test or 1 mg of alcohol in blood test is regarded as exceeding the standard, this may not be feasible because alcohol may be contained in foods and daily necessities we consume every day. So, in our understanding, the demand for zero tolerance means that the standard should be lowered as far as possible, right? When we look into the possibility of lowering the standard, we should ensure that there is no difficulty in law enforcement.

In the debate just now, Members also mentioned some new concepts for improving the existing legislation. These coincide with the direction of the Government's study I indicated at the beginning of the debate. These include the introduction of penalties for various degrees of drink driving, the introduction of a provision on "dangerous driving causing grievous bodily harm", as well as bringing in "aggravating factors" to all dangerous driving offences so that the Court may reflect the seriousness of the accident in sentencing. We have started to look into the details in a proactive manner. After the initial proposals have been drawn up, we will consult the parties concerned such as the Legislative Council Panel on Transport, the TAC, the RSC and the transport industry. I hope to launch the consultation later this year. If there is a need to amend the legislation, the work will commence in the next Session after the consultation.

Publicity and education as a preventive measure has always been a very important part of promoting road safety. The RSC has stepped up its efforts of strengthening its work in this aspect. I have heard some Members propose some new ideas. For instance, warnings such as "If you drink, don't drive" should be

printed on the packing of alcoholic beverages to strengthen publicity and education. To enforce this proposal, we have to amend the legislation and a lot of technicalities will be involved. At the present stage when the discussion on this proposal will continue, we will encourage manufacturers of alcoholic beverages to actively consider this proposal so as to remind consumers not to drink and drive. I would like to point out that this is one of the numerous measures on publicity and education and our efforts in this aspect will not wane. I am very grateful to Mr CHAN Kin-por who, from the perspective of insurance, reminded the car owners and motorists of their responsibilities. They should note that they are, as far as insurance is concerned, fully liable to any damages arising from the acts they have committed in drink driving. This is a very important message. Mr James TO has also mentioned that good friends should remind and help each other. All these are good ideas which will be reflected to the RSC to see if these can be adopted in the themes of their publicity and education programmes.

In addition, some Members have suggested that permanent breath test checkpoints be set up at cross-boundary control points or major bar areas or restaurants. Regarding this proposal, we have to strike the balance carefully because we do not wish to see motorists getting the wrong message that they can pass the tests and continue to drink and even drive after drinking. To ensure road safety, the most effective measure remains to be "Don't drink before driving." The relevant departments, together with the RSC, will continue to implement a series of targeted and even more stunning education and publicity programmes so as to foster a responsible driving culture.

Some Members have also mentioned the issue of "manslaughter". Certainly, the Department of Justice will adhere to its prosecution policy and make independent professional judgments when initiating prosecution. However, the Department of Justice have also advised that in respect of drink driving, they would press the most appropriate charges against the defendants according to the circumstances and "manslaughter" would be one of the considerations.

We need to note a number of points. Under the existing Road Traffic Ordinance, driving behavior is the basis on which the authorities will decide whether or not the offence of dangerous driving is constituted instead of focusing on the mental state of the driver as to whether the driver is negligent or reckless.

The burden of proof for manslaughter and dangerous driving are different. To prove that the driver has committed manslaughter, the prosecution must gather evidence on the mental state of the driver. In the case of a traffic accident, it is generally quite difficult to prove the so-called *mens rea* or mental state of the defendant. Under the dangerous driving legislation, the burden of proof lies in the actual driving behavior of the motorist, thus the standard of proof is more objective.

A Member has also urged the Government to make more efforts in setting up medical facilities for treating alcoholics and community counselling centres for such people. Currently, the Castle Peak Hospital under the Hospital Authority has provided alcoholics treatment services, which currently include physical and mental assessment, aids in alcohol abstinence, counselling, treatment of mental and psychological problems. The clinic accepts direct referrals by social workers, clinical psychologists and doctors from different institutions.

The Tung Wah Group of Hospitals has also organized an Alcohol Addiction Treatment Project. In addition, some other volunteer groups, such as the Hong Kong Alcoholics Anonymous has set up a small group to allow participants to share their experiences, so as to achieve mutual support and encouragement, thus helping the participants to gain a better understanding of their own alcoholism problems. We will refer Members' recommendations to the relevant departments for consideration.

President, today's debate shows that Members and society are very concerned about the issue. Once again, I would like to thank those Members who have spoken on the issue. I also thank Mr LEE Wing-tat for his question about the relevant wordings. We are determined in the combat against drink driving. With an unequivocal attitude, we will certainly work hand in hand with the Legislative Council in our promotion efforts.

When the relevant legislation was undergoing amendment, we already listened to Members' views which were crystal clear. While we have to enhance the deterrent effect on the one hand, we have to ensure that the proposals are reasonable, practical and commensurate with the severity of the offences on the other. We will focus our effort on the review so that it can be completed expeditiously and discuss with Members in the Legislative Council on how best

to take the matter forward in order to strengthen the deterrent effect. Thank you, President.

PRESIDENT (in Cantonese): I now call upon Mr CHEUNG Hok-ming to move his amendment to the motion.

MR CHEUNG HOK-MING (in Cantonese): President, I move that Mr LEE Wing-tat's motion be amended.

Mr CHEUNG Hok-ming moved the following amendment: (Translation)

"To delete "as" after "That," and substitute with "according to government information, the number of prosecutions against drink driving has been on the rise in recent years; furthermore,"; to delete "review the penalties for the drink driving offence by" after "(a)" and substitute with "allocate more resources for conducting random breath tests, and set up permanent breath test checkpoints at cross-boundary control points and the roads nearby, as well as major bar areas and restaurants, etc; (b) expeditiously conduct a comprehensive review on the effectiveness of the newly implemented Road Traffic Legislation (Amendment) Ordinance 2008, including"; to delete "to a minimum of 12 months or above" after "disqualification period"; to add "where necessary" after "such an offence"; to delete the original "(b)" and substitute with "(c)"; to add ", and formulate a set of penalties whereby the greater the extent the alcohol limit is exceeded, the heavier the punishment" after "blood alcohol concentration"; to delete the original "(c)" and substitute with "(d)"; to add "reviews or" after "lodge"; to add "and guidelines" after "sentencing criteria"; to delete the original "(d)" and substitute with "(e)"; to delete the original "(e)" and substitute with "(f)"; and to add ", and require that cautionary words such as 'don't drink and drive' must be printed on the packages of alcoholic beverages" after "public education and publicity"."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Mr CHEUNG Hok-ming to Mr LEE Wing-tat's motion, be passed.

PRESIDENT (in Cantonese): I now call upon Ms Miriam LAU to move her amendment to Mr CHEUNG Hok-ming's amendment.

MS MIRIAM LAU (in Cantonese): President, I move that Mr CHEUNG Hok-ming's amendment be amended.

Ms Miriam LAU moved the following amendment to Mr CHEUNG Hok-ming's amendment: (Translation)

"To add "various major speeding blackspots across the territory," after "the roads nearby"; and to add "studying the introduction of a new provision on 'dangerous driving causing grievous bodily harm' in the Ordinance and introducing dangerous driving after drinking as a factor of consideration for meting out heavier penalties, as well as" after "including"."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Ms Miriam LAU to Mr CHEUNG Hok-ming's amendment, be passed.

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

(Members raised their hands)

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

(No hands raised)

Mr LEE Wing-tat rose to claim a division.

PRESIDENT (in Cantonese): Mr LEE Wing-tat 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 Margaret NG, Mrs Sophie LEUNG, Dr Philip WONG, Mr WONG Yung-kan, Mr LAU Wong-fat, Ms Miriam LAU, Mr Tommy CHEUNG, Dr Joseph LEE, Mr Jeffrey LAM, Mr Andrew LEUNG, Mr CHIM Pui-chung, Prof Patrick LAU, Mr Paul CHAN, Mr CHAN Kin-por, Dr LEUNG Ka-lau, Mr IP Wai-ming, Mr IP Kwok-him and Dr PAN Pey-chyou voted for the amendment.

Mr CHEUNG Man-kwong and Mr CHEUNG Kwok-che abstained.

Geographical Constituencies:

Mr CHAN Kam-lam, Mr LAU Kong-wah, Mr TAM Yiu-chung, Mr Albert CHAN, Ms Audrey EU, Mr WONG Kwok-hing, Mr Alan LEONG, Mr LEUNG Kwok-hung, Mr CHEUNG Hok-ming, Mr Ronny TONG, Ms Cyd HO, Ms Starry LEE, Mr CHAN Hak-kan, Miss Tanya CHAN, Dr Priscilla LEUNG, Mr WONG Kwok-kin, Mr WONG Yuk-man and Mrs Regina IP voted for the amendment.

Mr Albert HO, Mr LEE Cheuk-yan, Mr Fred LI, Mr James TO, Ms Emily LAU, Mr Frederick FUNG, Mr LEE Wing-tat, Mr KAM Nai-wai and Mr WONG Sing-chi abstained.

THE PRESIDENT, Mr Jasper TSANG, did not cast any vote.

THE PRESIDENT announced that among the Members returned by functional constituencies, 21 were present, 19 were in favour of the amendment and two abstained; while among the Members returned by geographical constituencies through direct elections, 28 were present, 18 were in favour of the amendment and nine abstained. Since the question was agreed by a majority of each of the two groups of Members present, he therefore declared that the amendment was passed.

MS MIRIAM LAU (in Cantonese): President, I move that in the event of further divisions being claimed in respect of the motion on "Measures for combating drink driving" or any amendments thereto, this Council do proceed to each of such divisions immediately after the division bell has been rung for one minute.

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

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

(No Member indicated a wish to speak)

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

(Members raised their hands)

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

(No hands raised)

PRESIDENT (in Cantonese): I think the question is agreed by a majority respectively of each of the two groups of Members, that is, those returned by

functional constituencies and those returned by geographical constituencies through direct elections, who are present. I declare the amendment passed.

I order that in the event of further divisions being claimed in respect of the motion on "Measures for combating drink driving" or any amendments thereto, this Council do proceed to each of such divisions immediately after the division bell has been rung for one minute.

PRESIDENT (in Cantonese): I now put the question to you and that is: That Mr CHEUNG Hok-ming's amendment, as amended by Ms Miriam LAU, to Mr LEE Wing-tat's motion be passed.

PRESIDENT (in Cantonese): Will those in favour please raise their hands?

(Members raised their hands)

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

(Members raised their hands)

Mr LEE Wing-tat rose to claim a division.

PRESIDENT (in Cantonese): Mr LEE Wing-tat has claimed a division. The division bell will ring for one minute, after which the division will begin.

PRESIDENT (in Cantonese): Will Members please proceed to vote.

PRESIDENT (in Cantonese): Will Members please check their votes. If there are no queries, voting shall now stop and the result will be displayed.

Functional Constituencies:

Dr Raymond HO, Mrs Sophie LEUNG, Dr Philip WONG, Mr WONG Yung-kan, Mr LAU Wong-fat, Ms Miriam LAU, Mr Abraham SHEK, Mr Tommy CHEUNG, Dr Joseph LEE, Mr Jeffrey LAM, Mr Andrew LEUNG, Mr CHIM Pui-chung, Prof Patrick LAU, Mr Paul CHAN, Mr CHAN Kin-por, Dr LEUNG Ka-lau, Mr IP Wai-ming, Mr IP Kwok-him and Dr PAN Pey-chyou voted for the amendment.

Mr CHEUNG Man-kwong and Mr CHEUNG Kwok-che voted against the amendment.

Geographical Constituencies:

Mr CHAN Kam-lam, Mr LAU Kong-wah, Mr TAM Yiu-chung, Mr Albert CHAN, Ms Audrey EU, Mr WONG Kwok-hing, Mr Alan LEONG, Mr LEUNG Kwok-hung, Mr CHEUNG Hok-ming, Mr Ronny TONG, Ms Starry LEE, Mr CHAN Hak-kan, Miss Tanya CHAN, Dr Priscilla LEUNG, Mr WONG Kwok-kin, Mr WONG Yuk-man and Mrs Regina IP voted for the amendment.

Mr Albert HO, Mr LEE Cheuk-yan, Mr Fred LI, Mr James TO, Ms Emily LAU, Mr Frederick FUNG, Mr LEE Wing-tat, Mr KAM Nai-wai, Ms Cyd HO and Mr WONG Sing-chi voted against the amendment.

THE PRESIDENT, Mr Jasper TSANG, did not cast any vote.

THE PRESIDENT announced that among the Members returned by functional constituencies, 21 were present, 19 were in favour of the amendment and two against it; while among the Members returned by geographical constituencies through direct elections, 28 were present, 17 were in favour of the amendment and 10 against it. Since the question was agreed by a majority of each of the two groups of Members present, he therefore declared that the amendment was passed.

PRESIDENT (in Cantonese): Mr LEUNG Kwok-hung, as the amendments by Mr CHEUNG Hok-ming and Ms Miriam LAU have been passed, you may move your further amendment.

MR LEUNG KWOK-HUNG (in Cantonese): President, I move that Mr LEE Wing-tat's motion, as amended by Mr CHEUNG Hok-ming and Ms Miriam LAU, be further amended by my amendment.

Mr LEUNG Kwok-hung moved the following further amendment to the motion as amended by Mr CHEUNG Hok-ming and Ms Miriam LAU: (Translation)

"To add "; this Council also urges the Government to set up medical facilities for treating alcoholics and community counselling centres for such people to receive appropriate treatment and counselling, so as to enable them to understand the perils of drink driving, thereby reducing the occurrence of drink driving accidents" immediately before the full stop."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That Mr LEUNG Kwok-hung's amendment to Mr LEE Wing-tat's motion, as amended by Mr CHEUNG Hok-ming and Ms Miriam LAU, be passed.

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

(Members raised their hands)

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

(No hands raised)

PRESIDENT (in Cantonese): I think the question is agreed by a majority respectively of each of the two groups of Members, that is, those returned by

functional constituencies and those returned by geographical constituencies through direct elections, who are present. I declare the amendment passed.

PRESIDENT (in Cantonese): LEE Wing-tat, you may now reply, you have two minutes and 55 seconds. This debate will come to a close after Mr LEE Wing-tat has replied.

MR LEE WING-TAT (in Cantonese): President, first of all, I am grateful to the many Honourable colleagues who have participated in this debate. I am sure the message is very clear no matter in what wordings the motion will be passed. The Government is aware that Members who have spoken have urged for more severe penalties to be imposed on drivers who have committed drink driving, and requested that assistance be provided to alcoholics or random breath tests be increased. Some of them have even asked the Department of Justice to appeal against cases on the grounds that the sentences are too lenient. Our views are quite unanimous.

My only hope is that the Government, after listening to the views of so many Members, will not react slowly despite prompt actions are warranted and waste three or six months before holding internal discussions. And then, it will issue a so-called consultation report by the end of the year and submit a proposal on legislative amendment to the Legislative Council one or two years later. As we all know, even if the law is to be amended and a bill is to be submitted to the Legislative Council, it will take another period of time for consultation and scrutiny. So, President, I will not elaborate anymore and urge the Government to conduct a comprehensive consultation and review expeditiously in response to the public demand that more stringent penalties be imposed on drink driving. And through an internal decision, amendments can be drafted expeditiously so that more stringent legislation can be submitted to the Legislative Council for scrutiny. Thank you, President.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the motion moved by Mr LEE Wing-tat, as amended by Mr CHEUNG Hok-ming, Ms Miriam LAU and Mr LEUNG Kwok-hung, be passed.

PRESIDENT (in Cantonese): Will those in favor please raise their hands.

(Members raised their hands)

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

(No hands raised)

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

PRESIDENT (in Cantonese): Second motion: Helping young people cope with the financial tsunami.

Members who wish to speak in the debate on the motion will please press the "Request to speak" button.

I now call upon Miss Tanya CHAN to speak and move her motion.

HELPING YOUNG PEOPLE COPE WITH THE FINANCIAL TSUNAMI

MISS TANYA CHAN (in Cantonese): President, I move that the motion, as printed on the Agenda, be passed.

Before I come to my speech proper, may I ask the Government why only Secretary Matthew CHEUNG is here today to respond to this motion? In my original motion alone, at least the first and second items are concerned with students and directly related to the Education Bureau. Where is Secretary Michael SUEN? Has the Government forgotten that this motion is directly related to the subsidies or loan schemes? I am disappointed about this.

At the onslaught of the financial tsunami, everybody feels that he or she is the one who needs the care of society and the Government most. However, I think young people are among those who need help most. Therefore, the first motion I move in this Council is concerned with them, in the hope that they will not be carried away by the current financial tsunami and become dejected and despondent as a result.

Many of the Members sitting here are bosses. Just genuinely ponder and ask yourselves what you would do when business is bad. Of course, the first thing is to stop employing additional staff. On the one hand, savings can be achieved, and on the other, it will minimize the need for additional human resources and time for training the new recruits, which can thus avoid undermining the efficiency of the company. So, does it mean that young people graduating this year will have no chance of securing jobs? Then, when business gets worse, bosses will have no choice but to lay off their staff. The first targets will surely be young people with little work experience. That being the case, are our young people not in great need of help indeed?

The financial tsunami has carried away many young people, leaving them drifting in the middle of the sea, and many of them may be waving and shouting for help. While those lucky ones might have swum ashore or managed to get on board a lifeboat, if the Government continues to stand back and refuse to lend a helping hand, I am sure many young people will probably be drowned or become dejected and despondent. Young people nowadays are in urgent need of lifebuoys.

President, let me talk about alleviating their burden first. Nowadays, young people have many opportunities of further studies after graduating from secondary school. There is a great variety of programmes, such as the Yi Jin Project and diploma, associate degree and undergraduate programmes, to meet different needs. In fact, the list does not end here. Before taking an undergraduate programme, one can take a top-up degree programme; before taking an associate degree programme, one can take a pre-associate degree programme; and before taking a diploma programme, one can also take a pre-diploma programme. As long as one wishes to further his studies, there are bound to be programmes that suit his needs. However, they have one thing in common, that is, all of them will put young people in great debt, whether the loans are for paying the tuition fees or living expenses. In short, if there is any

young person who does not need any government loan during those few years, I really have to congratulate him.

I know a victim who obtained loans in the capacity of a student. He started off with a pre-associate degree programme and then an associate degree programme. Then he enrolled in a bridging programme which is currently known as a top-up degree programme. Within five years, he borrowed a total of \$170,000. He tried to make repayments while studying because, as we all know, interest will be calculated right from the beginning when the loan is granted; and he still owes the Government some \$120,000 to \$130,000. This student is graduating at the end of this year, but he is very worried about whether he will be able to secure a job, though he does not mind what kind of job he can get. Therefore, we have to help drive away "the devil of interest", that is, the practice of charging interest, and help young people alleviate their burden.

I propose that the Government review the existing risk rate for the "Non-means Tested Loan Scheme", which is currently set at 1.5%, and make changes to the effect that the interest will be calculated after a student has completed the relevant programme. Besides, I also propose that the Government suspend the collection of repayments from all borrowers of student loan schemes for one year and waive the interests on all loans for that year in order to alleviate the financial burden on young people. I propose suspending the collection of repayments for only one year and waiving the interests on the loans only for that year because I hope that this arrangement can be implemented for one year as a start so that we can examine its effectiveness or whether there is any special circumstance which calls for fine-tuning.

I do not know whether Secretary Matthew CHEUNG will, on behalf of Secretary Michael SUEN, provide an explanation later using the remarks made at the meeting of the Panel on Education held last week. I hope he can say something new. The problem before us is that those law-abiding students who repay their loans as required have all along been subsidizing those who do not repay their loans. What is more, they have actually shouldered part of the risk of bad debt which should have been borne by the Government. Is it fair? Last week, there was a news report about some students refusing to repay their loans even though they were able to do so, but does it mean that the Government has a reasonable ground for charging high interests? I think this precisely reflects that

the Government is incompetent and has failed to make adequate efforts to recover the payments in default.

For example, following some dine-and-dash incidents in a restaurant, the restaurant owner said to me, "Excuse me, Miss CHAN, as there are plenty of dine-and-dash cases here, I have to raise the prices." As consumers, we can cease patronizing the restaurant, but do students have a choice? No, they have to borrow money from the Government, and then what would happen? The situation would be that many young people in their early twenties would already be in great debt, amounting to at least a few hundred thousand dollars. I do not know how we can help to alleviate their debt burden. Does the Government have to take up the responsibility of recovering these payments in default?

President, after talking about alleviating their burden, I have to talk about the issue of career prospect. At present, it is really very difficult for young people to find a stable job. As a matter of fact, I have heard a case in which a fresh graduate regarded himself very lucky to be able to find a job in a large company. Yet, nobody would have thought that on his first day of work, the boss said to him, "You can come to work as planned but do not expect that you can stay after the probation period because eventually we will have to downsize as a result of the financial tsunami." If you were this student, you would know how distressing it was.

According to the statistics provided by the Census and Statistics Department, in September to November 2008, the unemployment rate of people aged between 15 and 19 was 19.3%, and that of people aged between 20 and 29 was 5.4%, both being higher than the overall unemployment rate. In the aftermath of the financial tsunami, it seems that this situation will only worsen, and young people have proven themselves to be those who need our help most amid the financial tsunami.

First of all, I propose that the Government, in particular the Labour Department and various tertiary institutions, provide more specific career counselling and support for young people, such as arranging for an employment platform specifically designed for young people to provide information on employment and job vacancies which can meet their needs, or even provide them with training on job-search and communication skills. Such training and

support, which can help boost their confidence in job seeking, can hopefully help them find a way out in times of adversity.

This financial tsunami has made us realize that the traditional economic pillars of Hong Kong alone are inadequate to support the sustainable development of the Hong Kong economy. We must move towards the diversification of industries in order to withstand the impact of the present financial tsunami. The Civil Party has all along been advocating the "Green New Deal", the development of the environmental industry and the cultural and creative industries. I think these industries can definitely help young people to find jobs or even identify their lifelong interest.

The Government has stated time and again its intention to promote the 10 major infrastructure projects, pointing out that they can create more jobs for the construction industry, and at the same time, it has been stating its intention to train more young people to enable them to join the construction industry, which gives the impression that all the infrastructure projects are implemented for the sake of the construction industry. However, the Government can also step up its efforts to develop green planning, green architecture and related surveying work through green infrastructure projects, strengthen work projects on energy efficiency and create more professional and technical positions in order to provide a new way out and an additional new opportunity for young people interested in these fields.

I think young people are most suitable for these industries. The strength of the young people of Hong Kong lies in their quick responses, wealth of ideas and ready acceptance and grasp of new things and new concepts. It is precisely these talents who are badly needed in the environmental industry and creative industry.

Last weekend was the Valentine's Day. Two young university students invented, or wrote the scripts and directed an interactive video on "courting girls" and uploaded it onto YouTube. The video rapidly got the highest hit rate of the week once it rolled out. This video clip has combined creativity with interactive online games, and fully demonstrated young people's creativity and ability to learn new things.

I hope the Government can, for the sake of our economy and our young people's future, actively promote the environmental industry and the creative

industry. Does the Government think that it can help our young people by arranging for all of them to engage in small works and the demolition of unauthorized building works and signboards, or arranging for all of them to study for two more years and make out two more student loans or work as research assistants?

The Government has also stated its intention to encourage various business associations to provide internship opportunities. However, when all large companies, caught in the grip of the financial tsunami, are telling the public that they will continue to lay off their staff, will they be able to create these internship places? We can see that these companies, after providing training for a group of young fresh graduates, will only ask for government provision to subsidize the creation of these internship places in the end. In other words, the Government is actually providing the "capital" for them to operate their business. Besides, I am very concerned that private companies will make use of this chance of creating internship places to arrange for these young people to fill the positions vacated by those who have been laid off, which is in effect an attempt to reduce their staff remuneration costs. This practice is very unfair to our young people. They join the companies for practice and learning, and they need someone to coach them and give them guidance instead of treating them as cheap labour.

I hold that even if the Government decides to provide subsidies for companies to create internship places, it has to establish some stringent approval criteria. For example, it has to check the companies' employment records to find out if they have a track record of laying off staff and cutting pay at whim. Besides, it has to find out whether these companies will offer proper training and provide supervision programmes for their apprentices when appropriate to ensure that young people can really acquire some skills during their internship. I think that these private companies, as they have received money from taxpayers, should fulfil their social responsibility.

Besides encouraging companies to provide internship places for young people, I also hope that the Government can play a part in this by considering creating more internship places and providing such places in different occupations. It is because most of the internship places created in the past were clerical or more static in nature. However, young people nowadays have diversified interests. As the Government has previously adopted a more monotonous approach, will it consider creating internship places in information

technology, culture and arts, environmental protection, social publicity and promotion or even public relations and sports and recreation? These can directly help young people and enable them to gain a better understanding of their own aptitude for further studies in future.

Besides those young people who intend to seek jobs, I think the Government should also help those who aspire to becoming self-employed or starting a business. The property prices and wages have shown signs of decrease as a result of the financial tsunami, and to a certain extent, chances are that business operation cost will drop. Young people with aspirations can actually seize this opportunity to excel despite the economic downturn and open up a new world for their future.

However, very often our young people may only have ideas without much knowledge of the business world, or they may have lots of ideals but may not be able to realize them. It would be a great pity if they are unable to realize their dreams or ideals due to inadequate experience. I propose that the Government draw on the experience of the Youth Self-employment Support Scheme and Youth Business Hong Kong and provide various forms of support to young people who aspire to starting a business or becoming self-employed. For example, it can offer training and advisory services, provide market information or even introduce loans and subsidies schemes to help young people explore their own path of development.

Finally, somehow I have to talk about the host of measures proposed by the Task Force on Economic Challenges (TFEC) last month to help young people. It is stated very clearly that the purpose of these measures is to help graduating students. The fact that the Government has placed such strong emphasis on this point makes me think that it does not want the unemployment rate to drop too much during the summer holiday. It is because, as we can see, the unemployment rate has recently risen by 0.5% to become 4.6%, and the number of people unemployed is as many as 160 000. When the summer holiday approaches, a large number of graduates will join our labour market and it is estimated that the unemployment rate will then rise to 6%. I do not want to see the Government being embarrassed by the unemployment rate as a result of this group of young people joining the labour market. I also hope that when introducing a host of measures to support young people, the Government will target at not only the fresh graduates of this year but also those who have

graduated for a year or two, with little work experience and are relatively helpless.

The discussion of the TFEC was mainly on the broad policy direction, while the details are yet to be announced. I very much hope that the Secretary will give us some concrete details in his response later. I really want to know how the Government plans to help the young people.

President, it will really break my heart to see a group of young people become dejected and despondent as a result of the prevailing financial tsunami and also become the so-called "train men" and "train women" (Otaku), always locking themselves up at home. The Chief Executive said that for the time being, "staying alive" is of the utmost importance, and I hope that the Secretary can help to keep our young people alive.

President, I so submit. Thank you, President.

Miss Tanya CHAN moved the following motion: (Translation)

"That, being struck by the financial tsunami, Hong Kong's economy will most probably slacken off substantially and young people will definitely face pressure from various fronts, including the financial burden arising from repaying student loans and the employment difficulties caused by reduction in jobs etc; this Council urges the Government to show concern for the needs of young people amid economic adversities and offer suitable support to help them alleviate their pressure, develop their career and contribute to the society, with specific measures which include:

- (a) removing the existing 1.5% risk rate for the "Non-means Tested Loan Scheme" and making changes to the effect that the interest will be calculated after a student has completed the relevant programme;
- (b) suspending the collection of repayments from all borrowers of student loan schemes for one year and waiving the interests on all loans for that year;

- (c) providing young people with more employment counselling and support, especially by increasing the resources allocated to the environmental protection and creative industries, with a view to helping them find suitable jobs;
- (d) creating temporary jobs and placements which are suitable for young people, including those in the fields of environmental conservation, survey studies, community relations, publicity and promotion etc, to give them opportunities to accumulate working experience;
- (e) exploring various forms of support, including appropriate training, counselling services, subsidies or loan arrangements, for young people who aspire to start a business or become self-employed; and
- (f) expeditiously implementing the recommendations of the Task Force on Economic Challenges which target at young people's needs and putting forward specific work plans as well as announcing the details."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the motion moved by Miss Tanya CHAN be passed.

PRESIDENT (in Cantonese): Five Members intend to move amendments to this motion. This Council will now proceed to a joint debate on the motion and the five amendments.

I will call upon Ms Starry LEE to speak first, to be followed by Mr Andrew LEUNG, Mr WONG Sing-chi, Mr WONG Kwok-hing and Mr LEE Cheuk-yan; but no amendments are to be moved at this stage.

MS STARRY LEE (in Cantonese): President, the financial tsunami has played havoc with the prospect of workers. The unemployment rate announced yesterday has surged to 4.6% and the number of unemployed people has risen to

157 000. Nevertheless, it is reckoned that these figures still fail to reflect the real situation faced by workers in the existing labour market. At present, all trades and industries have stated their intension to lay off staff and cut their pays, be it the middle class or professionals who are involved. It is expected that the joining of the labour market by university graduates will be one of the reasons causing a further surge in the unemployment rate. We do not wish to see a situation in which graduation is tantamount to unemployment, and neither do we wish to see a group of university graduates facing difficulties in finding jobs. Besides the difficulties in finding jobs, they may also have to scurry about and rack their brains for means to repay their student loans.

Earlier, the Government announced some employment promotion measures but was silent about how to help ease students' loan repayment burden, which is indeed disappointing. Actually, there are a few major problems of the student loan schemes which must be solved. First, the loan calculation method is very primitive, which has put students in a situation as if they were borrowing money from loan sharks; second, the interest rate is too high and fails to reflect the Government's commitment to helping students; and third, the interest is calculated too early, failing to consider students' repayment ability.

Why do I say so? The calculation method adopted in the means test based on household income for the student loan schemes is actually very primitive. It was adopted in 1988 and has since remained unchanged over the past two decades. Just imagine how a loan scheme which fails to keep abreast of the times, with its criteria remaining unchanged for more than a decade, can help students. According to the statistics for the 2007-2008 academic year, the Student Financial Assistance Agency (SFAA) received over 30 000 applications, among which 14 438 applications were granted with low-interest loans, that is, some 40% of the students received these loans. At first glance, I thought the ratio was not too low as some 40% of the students were able to obtain loans. However, when I took a look at the loan amount, I found that it was only \$24,000 on average, that is, an amount of just some two thousand dollars monthly was granted. Can this really help students reduce their tuition fee payments and living expenses? One can easily find this out for oneself.

Actually, the Government is also aware that the amount of subsidy is inadequate. Therefore, it encourages students to apply for loans under the

"Non-means Tested Loan Scheme". However, obtaining loans from the "Non-means Tested Loan Scheme" is like borrowing from loan sharks, and the interest rate is higher than that of the current mortgage rate.

The second issue is the high interest rate. As far as I know, the SFAA is now reviewing the student loan schemes. At the last meeting of the Panel on Education, members reached a consensus that it had been too long since the schemes were reviewed. I hope that the review can be completed as soon as possible so that we will have some ideas about the future plans. Therefore, the DAB proposes that the interest rates of the two loans be lowered until the completion of the review. The means-tested loan, with an original interest rate of 2.5%, should become interest-free loans to actualize the Government's commitment to nurturing tertiary students. As for the "Non-means Tested Loan Scheme", the interest rate should be pegged to the market and reduced to 2.5%. To my knowledge, the interest rate of the student loan under the Central Provident Fund Education Scheme of Singapore is also 2.5%, then why do we have to set a higher interest rate? Although the interest rate of the "Non-means Tested Loan Scheme" has been declining over the past two years, the interest rate of this month remains at 4.132%, which is still very high. For students at this time of the financial tsunami, this interest rate is indeed very high as the interest will be calculated once they have obtained the loans.

Thirdly, for students applying for government loans, under the existing schemes, the interest will be calculated once the loans are granted. Under such circumstances, students will have to worry about the interests incurred by the loans and the repayment arrangements while studying, and they will also be burdened by the adverse job prospect this year. Therefore, I request that the Government allow for the calculation of interest after the relevant student has secured a full-time job. Actually, this proposal is not too lenient, and it can help fulfil the Government's commitment to students. In other countries, the Government's commitment to students is also manifested through various loan schemes. President, the Canadian Government has all along been providing loans to tertiary students with the interest being calculated only when the student has completed the relevant programme. As long as the student is enrolled in a full-time tertiary programme, he will not have to repay the interest incurred by the loan, and repayments are not required until seven months after he has completed

the programme — that is, similar to the proposal put forward by the DAB. Why is the Hong Kong Government so miserly? Waiving the interest for students when they are still pursuing their studies will only cost the Government \$52 million annually, which is only a small amount compared with the annual expenditure on education. I hope the Government can actively consider the above proposal because postponing the calculation of interest to a time after a student has secured a job can indeed reduce the student's pressure.

The Canadian Government has also adopted other means to help students. A student can still apply for interest waiver by the Government after graduation if he encounters financial difficulties. During the interest waiver period, which ranges from six to 30 months, the applicant does not have to pay the monthly interest or repay the loan principal, which will be paid by the Government instead. He can further extend the grace period for 24 months, subject to the relevant criteria being met. Besides, the Canadian Government has also put in place a loan concessionary measure in which the authorities will reduce the loan principal according to the applicant's household income so as to reduce the monthly repayment amount to an affordable level. Students can apply for loan concession thrice during their lifetime and the maximum concession for loan principal is CAN\$26,000.

In assisting the employment of young people, the Government is calling on the business sector to provide internship opportunities for graduates from tertiary institutions. A few days ago, there were reports about the Government providing subsidies for local enterprises to offer one-year internships for graduates, with the minimum monthly subsidy being \$2,000 for each position. The DAB proposes that if the Government is willing to provide subsidies to enterprises for the provision of internships, such subsidies should be extended to enterprises in the Mainland instead of being confined to internships offered by local enterprises. As young people aged between 15 and 19 are also in great need of work experience, we propose that this programme, apart from being applicable to students from tertiary institutions, should also be extended to other groups of young people.

Furthermore, besides caring for young people with high educational attainment, we also expect the Government to care for the employment of young

people with relatively low educational attainment. According to the unemployment figures released by the Government yesterday, the unemployment rate of young people aged between 15 and 19 is 19.5%. One of the reasons for the higher unemployment rate for young people of this age group is of course their low educational attainment, which has made it more difficult for them to find jobs. I hope the Government can encourage this group of young people to go back to school to enhance themselves. Therefore, I strongly agree with the proposal of raising the subsidy amount of the Continuing Education Fund (CEF) to \$30,000 put forward by Mr WONG Kwok-hing in his amendment to alleviate the financial pressure from further studies on young people. The tuition fee of diploma programmes suitable for young people in general can be over \$10,000, and the subsidy of \$10,000 provided by the CEF can easily be "depleted once and for all". In this knowledge-based society, how can we really encourage young people to engage in lifelong learning? Raising the subsidy amount of the CEF is a desirable way forward.

In the face of the present once-in-a-century financial tsunami and the challenges posed by globalization, it is indeed necessary for the Government to seriously think about how we can really help young people cope with the financial tsunami and face the challenges. The fundamental question is how to enhance young people's competitiveness. I make frequent reference to the statistics and always query why the unemployment rate of young people aged between 15 and 19 is so high. In the past, the success achieved in society by many of our friends was attributable to their hard work, while their educational attainment was only one of their success factors. Why are young people aged between 15 and 19 unable to secure jobs in society and give full play to their potentials after receiving education in Hong Kong? Is it our education system or our industrial structure which is problematic, thereby making these young people unable to further their studies or find jobs through various channels after graduation? I think this is the real question that the Government has to think about, instead of introducing internships, as suggested by some newspapers, to alleviate the unemployment situation of university graduates or young people. I hope the Government can face these problems squarely.

President, I so submit.

MR ANDREW LEUNG (in Cantonese): President, before I start, I would like to declare my interest as Chairman of the Vocational Training Council (VTC).

VTC graduates who have received pre-employment training number at 16 000 every year, and among these graduates 10 000 of them will seek employment. Witnessing the downsizing of companies engaging in various businesses and of different scales, fresh graduates or those having graduated for a year or so will find their prospect very bleak. The main purpose of my amendment today is to request the Government to seriously face the various employment difficulties encountered by young people in all strata amid the present financial crisis and provide them with proper and targeted support in a timely manner.

Last year when the financial crisis just began to emerge, I already anticipated that unemployment would be very serious this year and would affect not only people with relatively low educational attainment but also degree and sub-degree holders, including holders of higher diplomas offered by the VTC, in seeking employment. Secondary school graduates would of course face grave difficulties as well. At that time, I immediately requested my VTC colleagues to examine how to resolve the dire situation whereby a large number of graduates would have "difficulties in securing employment" in mid-2009. According to an employment survey conducted by the VTC in September last year, the employment rate had dropped to 82%, compared with over 90% in the previous year. Back then, we already anticipated that the actual employment rate would plunge further.

Therefore, the VTC proposed and submitted to the Secretary and Secretary Michael SUEN in December various measures to help students secure employment, which received very positive responses. Our proposals include providing 1 500 places for extension certificate courses with one- to two-month internships in order to enhance students' employment competitiveness. We will also provide more places for extension courses for students enrolled in financial, retailing, tourism, design and information technology programmes. Besides, we will admit students in phases so as to help students graduating at different times and also avoid the influx of a large number of graduates into the employment market.

Given the present economic recession, we expect that more graduates will choose to further their studies. Therefore, we will provide through various

means a total of 500 places, comprising an additional 400 places for self-financed top-up degree programmes and 100 places for publicly-funded programmes at sub-degree level or below, in order to meet their needs.

Besides, in order to enhance the employment advisory and support services for students, the VTC will improve and upgrade its existing employment information system to facilitate better sharing and matching of job vacancy information among students. The VTC will also set up a task force to help encourage various centres, programmes and departments to communicate with the academic sector and employers in order to help students find jobs and internship opportunities and to provide them with employment advisory services.

The VTC also proposes that the Labour Department (LD) should extend the Youth Work Experience and Training Scheme to cover higher diploma graduates and apprentices at technician level and provide them with 2 200 attachment places. We have also indicated clearly to the LD that we will provide a six-month follow-up service with regard to these places to help graduates better adapt to their jobs and further studies. In order to take the lead in helping students secure employment, the VTC has already provided some in-house full-time or part-time junior positions. It will also set up small-scale business units within the VTC in collaboration with the industry in order to offer a business start-up training programme for fresh graduates and enable them to operate businesses in design and product development services, building services, computer repairs and maintenance and emerging industries, such as services relating to environmental protection and sustainable development, and it is expected that about 150 to 300 jobs will be created. I notice that a paper provided by the Commission on Strategic Development stated that over 20 statutory bodies would recruit about 6 000 staff and create 2 000 temporary positions or internships this year. I hope the Government can respond positively in this regard.

Regarding the arrangement for graduates internships in enterprises, including those in the Mainland, President, I wonder whether you and various officials still remember that when Hong Kong was in the grip of SARS, there was also a very difficult employment situation. Back then, those of us who operated factories were relatively lucky because the impact of SARS was only felt locally, while its impact on our exports was not significant. Therefore, the Federation of Hong Kong Industries and the VTC collaboratively launched the Careers China

Project to provide VTC students with work attachment opportunities in the Mainland, with all the expenses met by the relevant factories. However, the present financial tsunami has exerted tremendous impact on the industrial sector and small and medium enterprises. Nevertheless, I am also aware that quite a number of factory operators are still willing to offer work attachment opportunities, and I will examine this issue with the VTC. When I met with the Financial Secretary in mid-December last year, I already explained to him the "job trial programme" proposed by the VTC to provide subsidies for enterprises to employ graduates. Actually, I am very glad that the measures announced by the Commission on Strategic Development coincide with my views and I can also see that many local enterprises have shown interest in it.

Nowadays, in the face of the financial tsunami, people with different educational attainment and of different age have indicated that it is very difficult to find jobs. In order to provide timely help to young people during this period of time, I can see that the proposals made in the original motion and amendments by various Honourable colleagues can be summed up in the following few methods: requesting the Government to adopt more measures to ease the situation in which graduates are faced with employment difficulties and "heavily in debt before graduation", such as the request for the Government to put in additional resources to create jobs and increase employment opportunities and make additional efforts in relation to emerging industries like creative industries and the environmental industry. I welcome the Government's move to extend its Internship Programme through the Innovation and Technology Fund and increase 600 internship places. However, the VTC holds that the Government should be able to take a step further by providing subsidies to employers. For example, if the Government can provide a monthly subsidy of \$2,000 to \$3,000 while the relevant enterprise provides \$5,000 to \$6,000 to graduates as an internship allowance and takes charge of training the graduate, I believe this will have a certain appeal to graduates under the current economic conditions.

Besides, the Government should also enhance students' generic skills and industry specific knowledge and skills through extension courses in order to enhance their employability; and it should also provide more places for programmes offered by graduate schools in order to enable students with the interest and potential to further their studies and also help alleviate the pressure in the employment market.

Regarding students who have obtained student loans from the Government, I agree that we have to help ease their repayment burden, especially those borrowers with financial difficulties. Therefore, I propose suspending the collection of repayments for one year and waiving the interests on all loans for that year. For those students who have financial difficulties and have applied for loans under the "Non-means Tested Loan Scheme", the 1.5% risk rate should be removed so that the interest will be calculated after they have completed the relevant programmes.

While easing their repayment burden and helping to canvass employment opportunities for them, I also call on students to develop a proper work attitude. In this connection, I believe many parents will do the same as I do now and advise young people that they should not place too much emphasis on the pay of their first job, and they should start from the bottom and should not be afraid of working more than their fair share. We can find that there are still many prospective university graduates who do not understand the world of work and are reluctant to humble themselves. Just over the past week, many people have been discussing the issue of university graduates working in the Mainland. The focus of their criticism was that a monthly salary of \$11,000 was too high a price to ask for, displaying a lack of understanding of our country.

President, here I would like to call on local graduates to avoid being too short-sighted. The Mainland is a very huge market in great need of talents. At present, as factory operators in the Mainland have to face the challenges posed by upgrading and transformation, they have more difficulties operating their business now than at the time of SARS. However, as long as young people are willing to work hard and make efforts, with the flexibility and tact of Hong Kong people, they will surely be able to win the favour of employers. I think young people can make use of this period of time to improve themselves, gain a better understanding of the operation of the industry, establish their network and acquire a clear understanding of our country in order to pave their way for the future.

I would also like to call on enterprises to avoid treating interns as cheap labour and looking upon them as "photocopy boys" and "photocopy girls". Instead, they should really provide these interns with opportunities to practise their skills in different departments and realize their potentials, while at the same

time test their work ability and attitude, or even consider employing those with satisfactory work performance.

The economy will definitely revive after the financial tsunami. By then, Hong Kong will need many young people to help us move towards speedy recovery. I think nurturing young people can also serve the needs of enterprises.

President, I so submit.

MR WONG SING-CHI (in Cantonese): President, recently, a news report related how a young associate degree graduate applied for and borrowed about \$70,000 in a non-means-tested loan from the Government for his further studies. After graduation, he tightened his belt and by not supporting his family financially for the time being and postponing his plan to pursue a degree programme, he managed to repay the entire loan within two years. Altogether, he repaid almost \$100,000 in both principal and interest to the Government. This young man earns about \$9,000 monthly and in order to avoid having to repay a larger amount of money due to the compound interest, he would rather spend half of his salary on repayment.

This young man's experience is a typical portrayal of that of many diligent students and their families in that they have to face the pressure of repaying the debts incurred for their studies. If the young people, on leaving secondary schools and being admitted into tertiary institutions, borrow money to finance their studies, they have to bear the high interest rate and the compound interest on the loan. If they cannot find work half a year after graduation, they will not be able to repay the loan and will be regarded as defaulting on repayment. An even higher overdue interest rate will be imposed on top of the already high interest rate, thus making their situation even more difficult. In May last year, the interest rate for non-means-tested loans was 4.382%, of which 1.5% was the risk rate. The overdue interest rate was 5.333%. To graduates in their twenties who have just embarked on a working career or who are looking for work, it is already necessary for them to shoulder a debt incurred in the course of three to four years of study (in future, university studies will last four years) on which compound interest is payable, so it can be seen how onerous this financial burden is.

In introducing subsidy schemes and loan schemes, the Government's aim is to assist students in coping with their university or tertiary studies. However, since the Government already charges compound interest on the loans taken out by students even though they are still pursuing their studies, significant financial pressure is exerted on these students. The Democratic Party strongly believes that it is totally unreasonable and unjustifiable for the Government to charge students interest when they are still pursuing their studies, so this measure should be abolished as soon as possible.

The risk rate has all along been a target of criticisms. Regarding the present Non-means Tested Loan Scheme, the Government, apart from charging interest according to the principle of no-gain-no-loss, also charges a risk rate, on the ground that the scheme is non-means tested and no collateral is required, so the risk of non-payment is high and it is necessary to cover the losses resulting from bad debts and default repayments.

In a paper submitted to the Legislative Council by the Government last week, the figures indicate that most of the cases of default did not involve applicants who are university students or associate degree students. To take the academic year 2007-2008 as an example, the number of default cases involving non-university students or non-associate-degree students stood at 7 577 cases, accounting for close to 70% of the total but the total number of default cases involving university or associate degree students stood at just some 3 000 cases. If we look further at the trend, during the period of the 2004-2005 to 2007-2008 academic years, the percentages of defaulting university students and associate degree students in relation to the total number of repayment accounts in each of the respective years were 11.3%, 11.9% and 11.8%. In 2007-2008, it even fell back to 11.3%, so there is no significant trend of increase. So long as students can find jobs and earn incomes, they will all choose to repay their loans and instances of default are uncommon.

The Government has also put in place a mechanism to charge defaulting students additional overdue interest to make up for the losses incurred. The Government has stressed time and again that taxpayers should not be made to finance the operation of the relevant loan scheme. Similarly, the Democratic Party believes that responsible and rule-abiding students should not be made to bear the risks and cover the losses arising from defaulting cases.

If we look at other loan schemes involving public interest introduced by the Government, for example, the Building Safety Loan Scheme, the aim of which is to assist owners of private buildings in carrying out various kinds of repairs and maintenance to enhance or improve the safety of their buildings, the applicants do not have to go through a means test and the Government provides low-interest loans based on the no-gain-no-loss principle. For loans below \$50,000, no security is required. For loans between \$50,000 and \$150,000, security is required in the form of a personal guarantee by a relative or friend. For loans over \$250,000, collateral in the form of property is required. The Government does not charge any risk rate on account of the fact that no means test or security is required, so why should it be imposed on students?

For this reason, the Democratic Party strongly demands that the Government abolish the measure relating to the risk rate under the Non-means Tested Loan Scheme immediately and also urges the Government to examine making available greater flexibility in repayment to graduates of tertiary institutions as soon as possible, including allowing students to choose a lower repayment rate in the first three years after graduation, so as to reduce the financial pressure exerted on them after graduation. Since graduates do not earn a great deal of income but have to meet the expenses arising from work as well as contribute financially to the household expenditure of their parents, they really have a difficult time in the first three years after graduation and the financial pressure is particularly great.

In the final analysis, why do students have to apply for non-means tested high-interest loans from the Government to finance their studies? This is because the eligibility criteria of the subsidy and loan schemes put in place by the Government are harsh and outdated. The amount of subsidy or low-interest loan that a student can get is practically inadequate to meet his tuition fees and living expenses.

According to the existing assessment criteria and levels of financial assistance, a four-member family with a monthly income of \$25,000 is not eligible for any subsidy or low-interest loan at all. May I ask the Government if it is reasonable to force these families with limited income to bear the high interest under the Non-means Tested Loan Scheme?

Today, when the Government replied to a question seeking written reply raised by Mr CHEUNG Man-kwong, it admitted that the level of financial

assistance for students is based on the results of the Student Expenditure Survey conducted in 1988-1989. In September 2007, the Government commissioned a consultancy study to review the method of calculating the loan amount based on living expenses. The criteria were laid down two decades ago and they have become outdated and far removed from the needs with regard to the living expenses of students nowadays. However, the review has been conducted for one and a half years by now, but it has been dragging on without yielding any result. If we want to calculate the losses incurred by the lack of progress in the Government's review, how can we go about it?

Concerning the calculation of household expenses, at present, only the medical expenses incurred by family members with chronic diseases or who are permanently incapacitated are taken into account but other items, such as rent and liabilities, are not included in the deductible expenditure. This renders families with genuine financial difficulties virtually ineligible and they can only apply for a small amount of grant and low-interest loan.

For this reason, the Democratic Party strongly demands that the Government conduct a review of the existing Local Student Finance Scheme as soon as possible, so as to keep abreast of the times, relax the vetting criteria and, through the relaxation in the level of financial assistance or the amount of subsidy, enable students to concentrate on their studies without having to worry about their financial situation.

Under the financial tsunami, the unemployment rate is rising and this will have an extensive impact on various trades and families. Early this year, the Panel on Education of the Legislative Council requested the Government to consider a number of proposals to relieve the financial burden borne by borrowers, including suspending the repayment of non-means-tested loans for two years and waiving the interest on all loans in this period. The Democratic Party hopes that the Government can re-examine the impact of the financial tsunami and seriously consider adopting these relief measures.

On providing employment and placement opportunities to young people, the Democratic Party proposes that the Government adopt new thinking by developing more new industries, for example, the cultural industry, local ecology and heritage tourism, and so on, to which the Government has provided little support in the past, so as to lay the foundation for the transformation of the Hong

Kong economy into a diversified economy. In addition, jobs in the information technology industries and in teaching assistance are also more suitable to young people, so I hope the Government can look into these areas further.

I hereby seek to propose my amendment.

MR WONG KWOK-HING (in Cantonese): President, yesterday, the Government announced the unemployment rate for the last quarter, which has surged to 4.6%, a drastic increase of 0.5% from the previous quarter and also a 27-month high. In fact, the unemployment rate among young people has all along stood at a very high level. Although the Government did not provide an actual figure yesterday, if we look at the third quarter of 2008, we will find that the unemployment rate for young people aged 15 to 19 was 18.1%, numbering at 11 900 people, whereas the number of unemployed young people aged 20 to 24 stood at 24 000 and the unemployment rate was 7.8%. In view of this, later on, can the Secretary tell us what the proportion of young people in the latest unemployment rate is?

President, in the first wave of the financial tsunami, there was a series of layoffs and closures. First there was Tai Lin, followed by the HSBC. Although the HSBC did not close down, it took the lead in laying off employees. Recently, the impact of the second wave is spreading. News of layoffs and pay cuts can be heard incessantly: The PCCW, the Asia Television Limited and the Television Broadcasts Limited all laid off employees and this really makes people feel very jittery. The financial tsunami is also causing the contraction of various trades and industries and all strata of society have been battered. Among them, young people are also being dealt heavy blows under the financial tsunami. However, we have not seen the Government introduce many vigorous measures for young people to help them cope with the difficulties in seeking employment.

Although the Government and the Task Force on Economic Challenges (TFEC) have put forward some proposals tailored for young people consecutively, for example, to provide placement opportunities to young people with the help of the business sector, so far, there is no detailed account of the relevant measures, hence relief is in sight to alleviate the difficulties of young people. For this reason, I have proposed an amendment to increase the amount of subsidy under the Continuing Education Fund (CEF) to \$30,000 and increase

the number of subsidized places for diploma, higher diploma, bachelor degree and master degree programmes in various institutions. These proposals were made after consulting the FTU, the Commission on Youth and the Hong Kong Youth Power Association.

President, the CEF was launched in 2002 with the aim of encouraging the public to pursue continuing education and upgrade themselves. Registering in a CEF-recognized course will entitle one to a maximum one-off subsidy of \$10,000. As of 2007-2008, there is about \$3 billion in the CEF. The original intent of the Government in introducing this scheme is to encourage the public to upgrade themselves through continuing education. Since the introduction of this scheme, young people have generally been keener to make applications to the CEF. In the face of a knowledge-based economy, many wage earners hope that through further studies, they can enhance their competitiveness and retain their jobs. However, in the face of economic recession, it is all the more difficult for wage earners to keep their jobs.

In addition, pursuing further studies often requires the payment of high tuition fees. The subsidy of \$10,000 is, in fact, just enough for enrolling in one or two courses. Moreover, President, each member of the Hong Kong public is entitled to this subsidy only once in their lifetime and it amounts to only \$10,000, so its contribution to continuing education is really limited. For this reason, I propose in my amendment that the amount of subsidy be increased to \$30,000 with a view to enabling young people and even all eligible members of the public to enroll in more courses of continuing education, so that they can keep upgrading themselves.

Now, at a time when it is necessary to pursue further studies in such areas as finance, service industries, logistics, tourism and language, a subsidy of \$10,000 is definitely insufficient. However, even as the Government increases the funding, it must also monitor the quality of the courses strictly. When going over the information, we found that since 2008, over 50 courses have been deregistered from the Reimbursable Course List of the CEF. For this reason, by stepping up monitoring on the quality of courses, apart from protecting the rights of people taking these courses, the Government is also ensuring the reasonable use of public funds.

President, the proposal to increase the number of subsidized places for diploma, higher diploma, bachelor degree and master degree programmes of

various institutions is precisely attributable to the fact that the number of subsidized places in various institutions now is inadequate, so many students who wish to enroll in diploma, higher diploma, bachelor degree and master degree programmes often have to pay exorbitant fees to secure self-financing places. If the Government can provide more subsidized places, this will encourage the pursuit of further studies and it will also be conducive to raising the quality of the population. In fact, the penetration rate of tertiary education in Hong Kong has all along remained at a rather low level. It is even lagging behind a number of advanced cities in Asia and has been the target of criticisms. The Government should really conduct a review of the present economic conditions, revise and increase the number of places in tertiary education as soon as possible, so as to keep abreast of the development needs of society.

President, on the creation of temporary jobs and placement jobs suitable for young people, recently, the Government has announced a new round of recruitment and intends to recruit over 7 000 people. I think this is certainly good news for young people and the unemployed. However, I also wish to take this opportunity to ask the Secretary to make a clarification because on Monday, in a meeting of the Panel on Public Service of the Legislative Council, the Government told us that the contracts of over 10 000 contract employees would expire in a couple of years. That is to say, upon the expiry of their contracts, they will become unemployed. I question if the Government is recruiting an additional 7 000 people on the one hand but making over 10 000 contract employees lose their means of living on the other? After deducting 7 000 people from 10 000 people, 3 000 will be unemployed. In view of this, I hope the Government can clarify in today's meeting if the additional 7 000 recruits are a net increase. As regards the more than 10 000 contract employees, what does the Government plan to do with them?

President, at a time when the number of unemployed people has exceeded 157 000, these jobs (that is, the some 7 000 jobs offered by the Government) is just a drop in the ocean. It is not possible for the Administration to solve the problem merely by chanting such slogans as "stabilizing the financial sector", "supporting enterprises" and "preserving employment". Of course, if we want to create job opportunities, we cannot just rely on the Government and the participation of the business sector is equally important. Recently, the TFEC and the business sector have advocated offering job placements to young people. We welcome this proposal because job placements can really give young people

pre-employment training. However, we must avoid turning job placement opportunities into cheap labour. In that event, apart from exploiting the trainees, the jobs of existing employees may also be affected. I hope the Government will pay special attention to this.

President, regarding the proposals on removing the existing 1.5% risk rate for the existing Non-means Tested Loan Scheme and making changes to the effect that the interest will be calculated only after a student has completed the relevant programme, standardizing the existing interest rate for the Non-means Tested Loan Scheme at a flat rate of 2.5% and changing the means-tested loans to interest-free loans, Members of the FTU support all of them because if under these two schemes, interest is calculated only after the completion of study, it will be much fairer and more reasonable than calculating the interest from the time the loans are taken out, as is the case now. However, on the proposal put forward by Mr Andrew LEUNG to offer loans only to students with financial difficulties, it is difficult for us to approve of the proposal because in fact, there will be vetting and we believe it narrows down the demands made in the original motion and the amendments.

Finally, I also wish to point out to the Secretary that recently, some young people participating in the Project Yi Jin wanted to join the ranks of ice-cream vendors but the Government has limited the number of licences to just 30. In view of this, I wish that instead of just paying lip-service to creating employment, the Government will think out of the box and remove the barriers in creating jobs and business opportunities. We hope that more licences can be issued, but the Government is so very "tight-fisted". Why can it not issue 300 licences to let young people join the trade? It is also desirable if they can have the opportunities to start their own businesses. Secretary, although you are not in charge of the Food and Health Bureau, I hope that you can still follow this up because at the end of the day, there is only one Government.

MR LEE CHEUK-YAN (in Cantonese): The amendment proposed by me today is in fact a lamentable one. Frankly speaking, it is not due to the occurrence of the financial tsunami that the employment problem among young people has arisen. Basically, the employment problem among young people has existed for a long time, but it has all along been neglected. For this reason, my amendment today requests the Government to establish a training contract system. I will

explain in detail to Members how this training contract system will hopefully solve the employment problem among young people in the long run.

Take a look at this. The latest unemployment rate, which was announced yesterday, was 4.6%. Wage earners in various trades and industries are now all apprehensive. In particular, the HSBC has also announced retrenchment and the PCCW has also announced the introduction of no-pay leave and retrenchment. The ATV has also laid off employees. The public can also see that even though large corporations are making profits, they are still laying off employees, let alone companies not making any profit. In view of this, I believe that later on, the unemployment rate in Hong Kong will reach 6% in June. The situation of workers in various trades and industries is worsening and all people are feeling apprehensive now.

With such general apprehensions, young people are in fact the most miserable. Why? President, when the economic situation was good, the unemployment rate among them was still very high. Come to think about this. Even when the unemployment rate in Hong Kong was as low as 2%, the unemployment rate among young people aged 15 to 19 was at least five times higher, that is, over 10%. If the unemployment rate is 3%, the unemployment rate among young people will at least be 15%. With the present unemployment rate standing at 4.6%, their unemployment rate is at least 22% or 23%. If the unemployment rate reaches 6% in the future, which was the highest point in the past, their unemployment rate will reach over 30%. Here is the situation. The unemployment rate among young people has always been at least five times higher than the general unemployment rate. In view of this, President, as I said just now, when the economy was good, the unemployment problem among them was basically still very serious, let alone at times of economic recession.

However, what has been the Government's practice? All along, the Government has treated them as a figure instead of human beings. Since they are treated as a figure, how can their unemployment rate be curbed? Consequently, the Government launched such short-term measures as the Youth Pre-employment Training Programme (YPTP) and the Youth Work Experience and Training Scheme (YWETS) to improve the unemployment situation somewhat in the short term. This is how the Government suppresses the unemployment figure. However, can young people really upgrade their skills or

really learn the skills of a trade or profession? They cannot. Today, I propose that the Government cease to implement short-term measures. Short-term measures must be complemented by long-term ones. I am not against the YPTP. The Government can implement it, but what is its aim? It is to let young people discover their aspirations and interest and to discuss this with them. The YPTP is a kind of counseling service that enables participants to receive training and counselling and discover their aspirations and interest instead of a long-term measure. Next, the Government has to see if any long-term employment training programme can be tailored for them. Only in this way will it be possible to solve the problem once and for all.

However, this is not the approach adopted by the Government now. The Government launched the YPTP and the YWETS, allowing young people to choose either one of them and after completing them, that is the end of the matter. There is no long-term measure. Of course, what can be regarded as the long-term measure? It is the IVE, or the Hong Kong Institute of Vocational Education, formerly called the Vocational Training Council. It has some very good long-term programmes to initiate trainees into an occupation. In the past, this was referred to as apprenticeship but the word "apprenticeship" conveys a very outdated impression, as though it involves jobs like repairing buses or other repairs. However, the same concept can actually be adopted to help young people.

What is this same concept? It is training plus employment, which will take place at the same time. For example, with a five-day week, how will the arrangement under the apprentice system be like? One has to work for three days and attend classes for two days. Why do other trades not adopt this approach? Because what we hope is that the Secretary can introduce long-term measures for them. Many young people have told us that it does not matter even if the work is hard at the beginning. The most important thing is they know that after working hard under a programme, they can find a stable job that gives them dignity. For example, many young people are working in the hair-dressing trade or are learning from their instructors how to give shampoos. They said that it did not matter if they had to learn from their instructors how to give shampoos, the most important thing was to let them know when their apprenticeship would end and they would become hair-dressers themselves. If they have to toil for three years, so be it but they cannot go on indefinitely, not knowing when they

would reach the shore or when their goal would be within sight and they could really become hair-dressers.

In these circumstances, let us think about this. If we can give them hope or prospect and tell them that after completing a two-year programme, they can become skilled and professional workers or if two years are not enough, they can at least become semi-professional workers and that after a certain number of years, they can become real professionals, then this will actually dovetail with the qualifications framework that the Government intends to introduce because the qualifications framework being introduced by the Government is designed to provide a ladder. However, if the Government does not assist them in building this ladder through training, this ladder will only dangle in mid air forever for all to behold but it will be impossible to scale.

For this reason, we hope very much that the Government will not talk about what measures it will introduce in the short term. In fact, all these short-term measures were already introduced in 2003. At that time, we also said that we did not oppose the introduction of short-term measures by the Government, but we did ask if it could also propose long-term measures to solve the problem of unemployment among young people once and for all. Had long-term measures been proposed in 2003, the situation now would have been different. However, it always takes a crisis for a little bit of effort to be made and for short-term measures to be introduced to cope with the situation. Then things will relapse into the original state. The Government does not make any commitment at all.

Therefore, Secretary, I hope that you will really consider introducing long-term measures for the young people. Take cooks as an example, this is a very good trade. Although the work is hard, it is very satisfying. Now, I also begin to like cooking and I think it gives me a lot of satisfaction. If continuous training can be provided to young people, they may have to attend classes three days a week and work in the kitchen for two days. After receiving training for two years, they will become skilled workers. I am confident that this will work. Alternatively, they can work as waiters in hotels and in future, it is possible they will be promoted to the rank of managers. If they can learn English and about service attitude within two or three years by attending classes for three days and attachment training for two days a week, employers will have confidence in them. Of course, the Government has to make commitments because when young people work in this period of time, the Government also has to provide subsidies

to them. As regards classes for them, it is also necessary for institutions or organizations to offer programmes to them. If this measure is fully implemented, for example, by training 5 000 young people aged 15 to 19 each year, the greater part of the problem can already be solved because the number of young people who really want to work in society is not that large. Most of them probably want to continue with their education. I am talking about those young people who are not interested in studying. They can take this pathway but it is really necessary to offer long-term training contracts to them.

Today, I have spent a lot of time talking about this because I hope the Secretary can really consider offering long-term employment programmes to the young people. President, in the remaining two minutes, I wish to talk about something not within the brief of the Secretary. Just now, Miss Tanya CHAN talked about looking for someone. She said that a "wanted" notice had to be posted for the Secretary for Education, Mr Michael SUEN, because he was nowhere to be found. What I want to talk about is the loans for students. It is said that "every injustice has its perpetrator and every debt its debtor", so if the Government wants to recover its loans, we have no objection to this. However, at present, the unfairness lies in the fact that those good students who are making repayments duly have to shoulder the outstanding repayments owed by other people by bearing an interest rate of P+1.5%. This 1.5% is borne by good students who are making repayments duly.

If we look at the proportions, we will find that it is actually unfair to university students because 70% of those defaulters are not university students or associate degree students. Most of them are working people who apply for interest-free loans on their own to pursue further studies. The amount of debts owed by them is greater, but the present risk rate of 1.5% is designed to saddle this problem on good students who make repayments duly. Is this fair? I believe this 1.5% should be removed and recovery action should be directed at defaulting university students. I think the Government is beginning to feel the misery of divorced women who are recovering their maintenance fees. We should let the Government get a taste of this. After this, it will then try to devise a method. They have been trying so hard to recover their maintenance fees but the Government does not help them. Now, let the Government get a taste of this. For this reason, I believe it is only fair to remove this 1.5%, and let the Government recover the outstanding loans from defaulting university students or

working people instead of slapping the risk rate on all students. President, I really hope that the Secretary will think about this and will not saddle this problem on good students making repayments duly. Thank you, President.

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): President, first of all, I wish to thank Miss Tanya CHAN for moving the motion today and Ms Starry LEE, Mr Andrew LEUNG, Mr WONG Sing-chi, Mr WONG Kwok-hing and Mr LEE Cheuk-yan for proposing amendments to the motion.

Just like all Members, I wish to stress that the Government is very much concerned about the impact of the financial tsunami on the Hong Kong economy and the employment market. At a time when jobs are being deleted, perhaps due to the relative lack of working experience, life experience and academic qualifications, it is more difficult for young people, in particular, fresh graduates, to find jobs. For this reason, through various channels, the Government is providing them with such appropriate support as vocational training, opportunities for further studies and pre-employment training to enhance their competitiveness on all fronts. We will also provide personalized and I stress "personalized", not just treating young people as a figure but personalized employment services — to help young people gain a better understanding of their own career orientation and to assist them in adjusting to the transition from school to society by enhancing their self-confidence, sense of responsibility, interpersonal skills and problem-solving ability.

Regarding students who aspire to higher academic qualifications but perhaps have financial difficulties, the Education Bureau emphasizes that it is the Government's policy to ensure that no student will be deprived of education opportunities due to a lack of means. For this reason, the Student Financial Assistance Agency (SFAA) provides various financial assistance schemes to students.

For post-secondary students with financial difficulties, if they can pass the income and means tests under the means-tested assistance scheme, they are eligible for a non-repayable grant to meet their tuition fees and other academic expenses. They can also take out low-interest loans to meet their living expenses. Take the 2007-2008 academic year as an example, among

approximately 130 000 post-secondary students, 44 000 of them (that is, about 35%) received non-repayable grants and low-interest loans. In sum, the Government has spent about \$1.64 billion on these students, which accounts for as high as 60% of the total expenditure on subsidy payments to post-secondary students.

Regarding post-secondary students, including students taking full-time degree or sub-degree programmes as well as people taking part-time and continuing education courses, whose families are relatively speaking better off or those who, for some reason, do not wish to go through the means test, the Government has also provided another channel of financial support to them by offering them loans. In the 2007-2008 academic year, the Government disbursed about \$950 million in non-means-tested loans to about 23 000 students.

Since neither means test nor security is required under the Non-means Tested Loan Scheme, we consider that an important principle is not to make taxpayers subsidize the operation of this loan scheme. Therefore, the Non-means Tested Loan Scheme is operated on a no-gain-no-loss and full-cost recovery basis. The interest income from the loan scheme is used to support the ongoing operation of the schemes, including the cost of capital and losses due to default in repayment by loan borrowers. We have adopted the Government's no-gain-no-loss interest rate plus a risk-adjusted factor (RAF) as the interest rate for non-means-tested loans. Back then, it was also on this policy belief and basis for the interest rate that the Legislative Council approved the funding for establishing this loan scheme. The current interest rate for the Non-means Tested Loan Scheme is 4.132%, inclusive of the RAF of 1.5%. In fact, it is considerably lower than the average interest rate on unsecured loans in the market.

Income from the RAF is intended to cover the Government's loss due to default in repayment of loans. This RAF of 1.5% is not static. When there is continuous and obvious improvement in the overall default rate, the RAF can be reduced or even abolished. However, unfortunately, both the number of the accounts in default and the total outstanding amount of non-means-tested loans has been on the rise in recent years. As of the 2007-2008 academic year, there are about 11 000 cases of default, accounting for as much as 15% of the total number of accounts. Among them, 2 100 loan borrowers have failed to repay more than 12 quarterly instalments (that is, for more than three years) and the

number of such borrowers who defaulted on repayment for a large number of instalments has been on the increase in recent years. As at 30 September 2008, the total amount of interest collected through the RAF was about \$208 million, while the amount of repayment in default was about \$462 million. This means the income derived from the RAF could not cover the repayment in default, thus resulting in an overall shortfall of \$254 million. If eventually, the outstanding amount cannot be recovered, they will be written off and taxpayers have to bear the difference of more than \$200 million.

Therefore, the Education Bureau considers that it is not an appropriate time to reduce or remove the RAF. Rather, we should actively explore more effective measures to reduce the amount of repayments in default, so that this scheme can provide timely financial support to more people who intend to pursue further studies more fairly and reasonably and prevent abuse of public funds.

The motion moved by Miss Tanya CHAN and the amendment moved by Mr Andrew LEUNG both propose waiving the interest charged on the loans during the study period of the loan borrowers. I wish to point out that loan borrowers are not required to repay their loans during the study period. They are allowed to repay their loans and interest in 40 quarterly instalments within 10 years upon completion of their studies. As the interest rate is much lower than the interest rate for unsecured loans in the market and the scheme has to be operated on a no-gain-no-loss and full-cost-recovery basis, the Education Bureau considers it appropriate to retain the provision of accruing interest during the study period under the Non-means Tested Loan Scheme. As regards the means-tested loan for post-secondary students, it is interest free during the study period.

The original motion moved by Miss Tanya CHAN proposes that the collection of repayments from all borrowers of student loan schemes be suspended for one year, whereas the amendment proposed by Mr WONG Sing-chi proposes that loan repayment be deferred for two years and graduates be given greater flexibility in repayment. The amendment proposed by Mr Andrew LEUNG proposes that the collection of repayments from borrowers with financial difficulties be suspended or the interest of the loan schemes be reduced. We appreciate that individual loan borrowers may have difficulties in repaying their loans. Therefore, the SFAA has put in place an effective mechanism to help them. If individual loan borrowers are unable to repay their loans due to

financial hardship, further studies or serious illness, they may apply to the SFAA for assistance. The SFAA will, on the basis of individual merits, approve a deferment of loan repayment or a temporary adjustment of the quarterly repayment amount. In the 2007-2008 academic year, under the Non-means Tested Loan Scheme, the SFAA has approved about 2 700 such applications. According to past records, about 70% of the applications for deferment of loan repayment were approved. Here, I would like to urge loan borrowers with repayment difficulties to contact the SFAA to seek assistance. The SFAA will surely continue to adopt a prudent but flexible approach in handling their applications.

Moreover, we understand that under the present economic situation, the families of individual students who are still pursuing their studies may encounter difficulties due to the changes in their circumstances. In view of this, if students taking full-time subsidized or self-financing tertiary programmes who have applied for non-means-tested loans encounter changes in the financial circumstances of their families during their period of study, they can apply to the SFAA for means-tested financial assistance. Once they pass the relevant means test, they are eligible for grants and low-interest loans. Colleagues in the SFAA will, as has been their practice, provide assistance to all students with financial difficulties by all means.

In general, the Education Bureau considers it more appropriate to adopt a prudent but flexible approach by making special arrangements and providing assistance to loan borrowers according to their needs. We do not see the need to defer loan repayment and waive the interest collected from all loan borrowers across the board. Later on, I will give further responses to Members' views on relaxing the eligibility criteria for offering loans to students.

Regarding young people who plan to seek employment, in fact, the Government always cares a lot about their employment and has made efforts to provide young people with more counselling and employment support. I personally have a long track record in this regard. In 1999, the economy was in very poor shape and the unemployment rate was very high. The Youth Pre-employment Training Programme (YPTP) was introduced in response to the situation then. The year 2002 was also a difficult period and the Youth Work Experience and Training Scheme (YWETS) was introduced then. Therefore, in the past decade, I have had a closely relationship with the employment of young

people. I wish to take this opportunity to give a detailed explanation because many Members here probably do not understand the operation of these schemes. In fact, a number of proven projects have been implemented over the years.

First, I wish to talk about the YPTP and the YWETS administered by the Labour Department. These two represents a departure from conventional classroom education as they provide comprehensive pre-employment and on-the-job training to young people aged 15 to 20 to increase their employability and help them enter the labour market and secure continuous employment opportunities.

The YPTP has trained over 85 000 young people. Excepting trainees who pursued further studies on completion of the programme, over 70% of the trainees have secured employment. The YWETS has assisted 60 000 young people in securing employment. Among them, over 40 000 were placed as trainees in various industries under the YWETS. No limit on the number of places is imposed on both schemes. Our aim is to admit all and provide education for all without discrimination. We hope that in this spirit, flexibility can be exercised to accept all qualified applicants. The services under the YPTP and the YWETS will be further enhanced. At present, the two schemes have been integrated into a through-train programme — Members may not be aware that the YPTP and the YWETS have been integrated into a through-train programme. The YPTP is designed to provide pre-employment training and now, placement is also included, whereas the YWETS is in fact job-related or provides on-the-job training, so in fact, it is about getting a job. We also encourage employers to continue to employ young people who perform well. During the training period, these young people can receive \$4,000 monthly to upgrade their academic or professional qualifications.

Through collaboration among sectors, various special training-cum-employment projects are actively organized under the YPTP and the YWETS to meet the employment needs of young people. Projects in the near future include the Construction Industry Youth Training Programme organized in collaboration with the Construction Industry Council Training Academy and a project organized in collaboration with the Community Inclusion and Investment Fund to enhance the employability of youth people by adopting the strategy of developing social capital.

Miss Tanya CHAN specifically mentioned in her motion the environmental protection industry and the creative industry. Currently, the Government has also committed resources specifically to these two areas.

To take forward the policy objective of building a low carbon economy as pledged in last year's policy address, the Environment and Conservation Fund has allocated \$450 million to subsidize building owners to conduct energy-cum-carbon audits and energy efficiency projects. It is expected that these two funding schemes lasting three years will be launched in the first quarter of 2009. They will bring considerable business opportunities to the engineering sector and will provide relevant job opportunities to young people.

The Environment Bureau also implements various kinds of environmental protection activities and funds local bodies in organizing relevant activities through the Environment and Conservation Fund and the Environmental Campaign Committee. When doing so, university graduates or young people will be employed to help organize some of the activities.

Regarding the creative industry, at present, the Cyberport Digital Entertainment Incubation-cum-Training Centre under Hong Kong Cyberport Management Company Limited provides incubation services to newly-established companies in the digital entertainment industries of Hong Kong, giving support to these companies to help them secure a firm footing in the market and develop their business. The centre offers an internship programme to enable young people with relevant academic qualifications and professional experience wishing to embark on a career in digital entertainment to join the programme and receive training, as well as gaining actual experience through working for companies. In December last year, the Commerce and Economic Development Bureau was also given funding approval by the Finance Committee of the Legislative Council to launch phase two of the operation of the centre. The duration of the programme will be extended to 2012 to benefit young people wishing to embark on a career in the industry.

Nurturing a pool of creative talents to become the backbone in developing the creative economy in Hong Kong will be one of our major action areas. The Commerce and Economic Development Bureau is working on the establishment of a dedicated office — Create HK. The office will work with the relevant departments, non-governmental organizations and the industry to strive to nurture

creative talents of high quality and will render appropriate assistance to enable them to develop their own creative undertakings.

In fact, young people have drive, creativity and vision. If they can grasp the opportunities at a young age and be given appropriate support, they will succeed in setting up their own businesses or developing their self-employed businesses. In view of this, the Labour Department has introduced the Youth Employment Start to enhance young people's employability, facilitate their access to the latest labour market information and help them secure a firm footing in the labour market and achieve sustained development. The abbreviation for Youth Employment Start is YES. YES provides career assessments, career guidance, value-added training as well as support and training services for the self-employed, which Miss Tanya CHAN has all along hoped that we can implement. I wish to stress that this is a new initiative introduced last year with a view to fostering the diverse development of young people. We have given a great deal of thought even to the locations of the centres, which are not located in government buildings. We have two centres, one located in Langham Place, which is a popular gathering place for young people that they will not have hesitation in visiting, as this is a place they find welcoming and the other is in the Metroplaza in Kwai Fong. We hope that the locations of these centres will be appealing to young people and that they will find it convenient to go there. The operation of this programme has been highly successful. In particular, they can become self-employed in the centre and many value-added courses, on-the-job training and career counselling are available to give them all-round, diversified and comprehensive support.

In order to encourage young people to unleash their creativity and develop their entrepreneurial potentials, a series of basic training on self-employment support and entrepreneurship was designed under the YES. On training, the YES provides basic training on entrepreneurship and the modules include business registration, marketing and sales, accounting, taxation, commercial design, law, and so on. Moreover, experience-sharing sessions are organized regularly where successful self-employed people are invited to share their experience and professional consultation service is also provided. As I said just now, they can use the centres as their office to negotiate business.

All young people aged 18 to 29 who are operating their own businesses and hold valid individual Business Registration Certificates can become business

members of the YES and can use a full range of office facilities in the centres free of charge, including the business rooms and conference rooms. Moreover, as I said just now, software is available in the centres, which can be used as their support bases.

Moreover, Members may also be aware that the Trade and Industry Department has also set up the Support and Consultation Centre for SMEs, abbreviated as SUCCESS. It is located in the Trade and Industry Department, dedicated to providing free business information and consultation services to SMEs, including entrepreneurs. For young people who aspire to starting a business, the SUCCESS can provide them with comprehensive information relating to starting up a business, such as the government licences required for business operation, the information required for business registration, the drafting of business start-up plans, market analysis and costs/expenditure estimates. When necessary, the SUCCESS can even make arrangements for them to seek further consultation from experienced business experts.

Moreover, through the SME Mentorship Scheme and the "Meet-the-Advisors" Business Advisory Service operated by the SUCCESS, young people who have just started their businesses can seek one-to-one guidance and counselling from experienced business operators and experts from various trades and industries, so as to help them solve their operation problems. The centre also organizes seminars from time to time to help young people understand the operational skills involved and enable them to have exchanges with experienced people.

Furthermore, the Employees Retraining Board (ERB) has started to run self-employment courses since October 2000 to impart the relevant know-how and provide support to people aspiring to becoming entrepreneurs, so that they can develop another means of living in addition to seeking employment. The age limit of eligible trainees under the ERB's Manpower Development Scheme (formerly known as Employees Retraining Scheme) has been relaxed to cover people aged 15 to 29. From the recent discussions on the levy relating to foreign domestic helpers, Members all know that the reason for relaxing the age limit to include people aged 15 to 29 is to help young people equip themselves. At present, the scheme covers young people aged 15 to 29 and people with education level at sub-degree or below. Qualified young people can enroll in the Youth Training Programme or other training courses designed for the general public,

funded by the ERB and offered by the Vocational Training Council, so as to gain experience in self-employment.

I understand that Members hope the Government can create job opportunities for young people. Generally speaking, government departments, when creating posts, will mainly consider the demand for services and will not create posts specifically for people of a particular age group. However, as young people are the future pillar of Hong Kong society, various Policy Bureaux and departments have also created temporary jobs and internships for young people through a number of measures to foster their professional development. We have also created a number of temporary jobs suited to young people to give them opportunities to accumulate working experience.

For instance, the Internship Programme under the Innovation and Technology Fund (ITF) has earmarked \$90 million in 2009 — \$90 million is a considerable amount of money — to provide 600 internship places. It aims to attract science and engineering graduates of local universities to take part in ITF-funded research and development projects. The figure of 600 places is not a small one.

Furthermore, each year, through the Graduate Training Scheme, the Government provides quality, systematic and practical on-the-job training opportunities to university graduates from the professional disciplines of architecture, engineering, landscape architecture, quantity surveying and urban planning to assist them in obtaining the relevant professional qualifications. In 2008-2009, the Scheme attracted a total of 122 graduates. In 2009-2010, it is expected that 135 applications will receive training opportunities through the Scheme.

As regards the environmental protection industry, the Environmental Protection Department also provides training opportunities to environmental engineering graduates through the Environmental Graduate Training Scheme under the Development Bureau. It also offers temporary posts to enable summer interns to participate in various kinds of environmental protection work through the Post-secondary Student Summer Internship Programme of the Civil Service Bureau.

The Government also requires contractors who had won government works contracts with a value of over \$50 million to employ technician apprentices of the

construction industry as well as building and civil engineering graduates and provide on-the-job training to them. At present, about 320 technician apprentices and 260 building and civil engineering graduates are receiving training by taking part in government projects under this arrangement. In 2009-2010, it is expected that new government projects can provide on-the-job training opportunities to about 160 technician apprentices and about 120 university graduates.

Separately, each year, the Construction Industry Council will also provide training opportunities to graduates who wish to pursue a career in the construction industry. Each year, there are about 570 places in basic craft courses for Form 3 school leavers and 250 places in construction supervisor/technician programmes for Form 5 graduates. In addition, 990 places in full-time adult short courses are also offered each year by the Construction Industry Council specifically to people aged over 18 who wish to switch employment to the construction industry.

In 2008-2009 and 2009-2010, the relevant departments under the Food and Health Bureau and the Hospital Authority will also create 1 537 temporary and other posts, some of which are provided through contractors. These posts are not specifically designed to offer internship to young people or let them accumulate working experience, but about 550 of these posts, including clerks, venue managers, clinic assistants and even market researchers, are suitable for young people without working experience.

Members also proposed that the recommendations targeting young people's needs made by the Task Force on Economic Challenges be implemented expeditiously. The Government is having discussions with various tertiary institutions on adopting measures to increase students' opportunities of further studies, placement and employment and to increase the numbers of places for tutorship, research fellowship and postgraduate studies as far as possible. The Government has also explored with the Hong Kong Chinese Enterprises Association the possibility of providing internship on the Mainland for university graduates, with a view to broadening their horizons and increasing their exposure. In addition, the Government will also have discussions with various major local business associations and universities on local internship programmes in the hope of offering some temporary jobs. We are now working on the details and will make announcements in due course.

President, after listening to the views of Members, I will give a summary and make specific responses again. Thank you.

MR TOMMY CHEUNG (in Cantonese): President, under the influence of the financial tsunami, the overall unemployment rate in the last quarter announced recently has surged to 4.6%, with close to 160 000 people being unemployed. Among them, the unemployment rates for young people in the two age groups of 20 to 29 years and 15 to 19 years have risen to 5.3% and 19.5% respectively, so it can be seen that as young people are only taking their first strides in their qualification, working experience and even life experience, it is all the more difficult for them to find work amidst the economic downturn. The Liberal Party believes that at such a difficult time, society and the Government should extend their helping hands to the young people by providing all assistance possible to them, in areas ranging from training, further studies, employment counselling and support to self-employment and entrepreneurship.

Of all young people, the situation of graduates from tertiary institutions is probably the most difficult. Due to the need to borrow money to pay the tuition fees when they were receiving education, they are saddled with more than \$100,000 in debt upon graduation. At present, after they have left school, the slightest misstep will place them under the two-pronged assault of unemployment and indebtedness, so they really need others to give them a hand.

For this reason, earlier on, I moved a motion in a meeting of the Panel on Education to request that the Government suspend the collection of repayments from school leavers who have borrowed loans from the Government and waive the interest on loans in the next two years. This is because judging from the present economic situation, it is unlikely that there will be any improvement in the employment prospect for graduates in the next two years.

In addition, apart from paying the so-called no-gain-no-loss interest, students under the Non-means Tested Loan Scheme now also have to shoulder the 1.5% of risk rate. Moreover, the calculation of interest begins as soon as the loan has been taken out.

The authorities maintain frequently that the risk rate of 1.5% is intended to cover the losses incurred by the Government when some of the students default

on repayment. However, the Liberal Party considers that if the Bureau concerned thinks that the problem of defaulting on repayment is serious, it should find ways to recover the money and punish those black sheep that deliberately default on repayment instead of continuing to follow the principle of "the black dog stole but the white dog took the blame" by requiring students who make repayments duly to fill the void resulting from the inadequate efforts made by the authorities to recover the loans.

President, that graduates of tertiary institutions are debt-ridden upon graduation is in fact largely related to problems with the Government's policy on financial assistance. If a student comes from a four-member family with a median income of \$23,500, he cannot even get one dollar of financial assistance. Even a student whose monthly family income is \$20,000 can only receive \$3,830 in grant and \$2,140 in low-interest loan in each academic year. However, the totality of these two sums is only equal to 15% of the annual tuition fee of over \$40,000. Therefore, one can see that the majority of students have to borrow from the Non-means Tested Loan Scheme, thus sowing the seeds of indebtedness. For this reason, the Liberal Party agrees that a review of this scheme is warranted.

President, the Liberal Party supports the various proposals made in the original motion. However, regarding the fourth point on creating temporary and placement jobs for young people, we hope that the role of the business sector will not be overlooked. Moreover, the types of jobs should not be confined to non-commercial ones. This is because ultimately, Hong Kong is a commercial city and gaining working experience in commerce and industry is very important to young people in looking for jobs in the future. For this reason, the authorities should place emphasis on co-operating with the business sector in offering temporary or placement jobs suited to the actual circumstances. At the same time, it is necessary to make reference to the Youth Work Experience and Training Scheme offered by the Labour Department by providing subsidies to companies offering temporary or placement jobs, so as to encourage companies to create more jobs to benefit young people.

President, concerning the amendments, the student representatives of the Federation of Hong Kong Students once conveyed personally to me and the Liberal Party was of the view that the burden borne by graduates was really onerous and their situation was really miserable. In particular, when young

people initially begin to work in society, their income is limited, so the Government should examine the introduction of a progressive repayment system, that is, soon after their graduation, they should be allowed to repay a smaller amount of money. Subsequently, when these graduates have established their careers and make more income, they can repay a larger amount of money, so as to reduce the pressure of repayment on graduates who are just starting out. For this reason, we support the amendment proposed by Mr WONG Sing-chi.

As regards the amendment proposed by Ms Starry LEE, it is designed to ease the burden of loan interest on students and this coincides with the overall direction of the Liberal Party. However, we believe that it is only necessary to abolish the risk rate of 1.5% for this goal to be attained right away and there is no need to set a flat interest rate for the loans, thus removing the scheme's flexibility. In addition, the amendment proposes that interest be calculated only after students have secured employment. However, the implementation of this proposal will be very complicated. For example, it will be very difficult to define what securing employment means. For example, if some students were employed only briefly but for various reasons, they become unemployed again, in that case, when should the calculation of interest begin? In view of this, the Liberal Party proposes that a simpler and more feasible approach is to calculate the interest only after graduation.

In addition, the Liberal Party finds it difficult to support the amendment proposed by Mr WONG Kwok-hing because the recipients of the Continuing Education Fund (CEF) are members of the public aged 18 to 65, whereas the amendment seeks to raise the amount of subsidy under the CEF substantially to \$30,000 in one go, therefore, it will be difficult for this measure to focus on catering to the needs of young people.

Finally, I also wish to comment on the amendment proposed by Mr Andrew LEUNG. He did not address the present unfairness of requiring all students who have taken out loans to pay the risk rate and his proposal will also make the loan scheme overly complicated. Therefore, the Liberal Party cannot support his amendment.

President, I so submit.

MR JEFFREY LAM (in Cantonese): President, with the arrival of the summer holiday in a few months' time, a new batch of graduates will emerge looking for jobs. If we look at the territory's present situation, we will find news of unemployment and layoffs everywhere. The latest unemployment rate has risen to 4.6%, from 4.1% at the end of last year, with the number of posts recording a substantial fall of 14 300 as of January this year. The unemployment rate of young people, being hit the hardest, has even reached 9.6%, and the unemployment problem of young people is predicted to worsen further.

According to a recent employment survey, after September last year, there were only about two interview offers for every 100 application letters. Amid the waves of the financial tsunami this time around, I am afraid the new batch of graduates might even get no interview offers and have to keep looking for jobs for quite a while. By then, the social and financial problems caused by these non-engaged youths will become greater in proportions.

Young people will be the pillar of society in the future. They should be given opportunities to bring their capabilities into play. If they suffer serious setbacks right at the beginning and are not given a chance to exploit their potential, the healthy development of these young people and society as a whole will definitely be dealt a serious blow.

This is an issue of great concern to the Hong Kong General Chamber of Commerce (HKGCC), which launched its 2009 graduate internship scheme last month. We hope the 4 000 or so enterprises under the HKGCC can provide internship opportunities for fresh graduates. Here I would also like to call on other enterprises and chambers of commerce to launch similar schemes. I understand that the prevailing economic situation is not too good and some enterprises are struggling for survival, so it is quite difficult for them to offer internship opportunities. However, if the Government can provide subsidies or launch some initiatives to support enterprises in participating in this scheme, it will definitely be helpful to graduates in seeking employment.

This is why during an earlier consultation on the budget, I proposed to the Financial Secretary that the Government could consider launching a work trial scheme for graduates of tertiary institutions or above whereby financial incentives, such as wage subsidies, can be offered to employers according priority to these graduates, with the maximum probationary period proposed to be one

year. Of course, participants of this scheme must comply with all requirements under the employment legislation. Earlier, the TFEC also proposed that the Government liaise with mainland enterprises to make arrangements for graduates to receive internships and training on the Mainland. I also propose that the Government's internship subsidies be expanded to the internship schemes on the Mainland.

However, the underemployment problem of young people cannot be resolved by relying solely on internship subsidies. In addition, more resources should be injected for the purpose of promoting environmental protection and creative industries to enable the industries to create more posts for young people and graduates. Prior to this, I repeatedly proposed that the Government establish the Creative Industry Office expeditiously, support and promote creative industries by, for instance, promoting collaboration between business organizations and young people in creating and developing new products, launching manpower training schemes and providing young people with employment counselling and consultancy services, and so on.

Furthermore, the Government should provide more support in terms of venues. I have all along urged the Government to expeditiously streamline the formalities and approval procedures for the change of use of factory buildings and, through town planning, encourage the development of creative industries and the economic development of communities by such means as turning old factory buildings into creative towns for young people, leasing vacant sites or government open space at low rents to enable young people to develop creative commercial projects, including the operation of flea markets, bazaars, local community food streets, and so on, to propel local economic activities and create job opportunities.

President, as many tertiary students are under heavy financial pressure because of the territory's current economic downturn, it is hoped that the Government can appreciate their financial difficulties and provide special assistance for students with financial hardship by calculating the loan interest after they have completed their programmes, and suspend the collection of repayments from student borrowers for a year. I hope, without financial pressure, the students can pursue learning with peace of mind. Only in this way can they make even better contribution to society after graduation.

I hope the Government can launch initiatives more expeditiously to help young people seek employment and let them see the sun after the rainstorm *(the buzzer sounded)* to pursue their dreams.

President, I so submit.

MR CHAN HAK-KAN (in Cantonese): President, I recall that when I spoke in this Council for the first time, I asked the Chief Executive what measures would be taken to help tertiary students and young people resolve their employment problems. I have also asked Secretary Matthew CHEUNG at different meetings what will be done to improve the Youth Pre-employment Training Programme and the Youth Work Experience and Training Scheme. I am pleased to see the Government changing from a lukewarm response initially to a proactive attitude now in putting forth a number of improvement initiatives to help young people cope with the financial tsunami.

President, we can see that as the financial tsunami gathers momentum, many trades and industries have begun laying off their staff. Even a number of experienced wage earners cannot escape the fate of being made redundant. As for some university graduates who are about to work in society upon graduation, I believe their employment prospects will be very, very critical because of their lack of working experience.

In order to rid themselves of the curse of "graduation means unemployment", some of the prospective university graduates I know started sending self-recommendation letters or resumes to various major companies during Christmas last year, in the hope of finding jobs earlier. Unfortunately, no response has ever been received, and not even a single interview has been offered.

We recently saw a number of government officials convey this message to us: More job opportunities will be created to accommodate university students. At the same time, the students are urged not to be too calculated and to take up employment even if the salaries offered are low.

I think the problem will not be too serious if university students are to support themselves only. They should be able to get by on a monthly salary of \$8,000. However, the actual situation is, many fresh university graduates are

already burdened with student loans upon graduation. If they earn a monthly salary of only \$8,000, how can they repay their loans? How can they find the money to repay the Government if they cannot find employment upon graduation or their salaries are simply too low?

President, just now, Ms Starry LEE already expressed the DAB's views on the Non-means Tested Loan Scheme, and so I will not repeat the views here. However, I wish to point out that it is most unacceptable for the Government to start calculating the interest once students are offered loans under the Scheme. If university students can afford the exorbitant interest and tens of thousands of dollars in tuition fees annually, I believe they would not need to obtain student loans, because Members should have heard a number of Honourable colleagues say that university students would invariably need to repay the principal plus interest of their loans amounting to \$100,000 to \$200,000 upon graduation. The Government's calculation of the interest at such an early stage means that the financial burden of the students will be aggravated earlier.

If we look back at the initiatives launched earlier to help small and medium enterprises (SMEs), we will find that the Government vigorously urged the banks to relax their credit and provide more loans to SMEs to tie over the difficulties. Such being the case, the Government should give similar consideration in assisting university students by relaxing its credit and easing the financial pressure on the students. This argument should apply to both cases. Furthermore, our Government often says that education is an important investment. So, the Government should not merely focus on short-term financial consideration and recovery of loans, as commercial activities do, thereby raising the interest payable by the students.

President, I certainly understand that a handful of university students are not good at financial management and some students are reluctant to repay their loans even though they are capable of doing so. However, the Government cannot use these as a pretext to make a sweeping statement that the inadequacies of the existing loan schemes will not be reviewed again.

President, regarding the employment problem of university students, the Government has recently conceived a number of solutions and launched a number of initiatives, such as expediting the pace of filling civil service vacancies, requesting various tertiary institutions to expand the number of places for

assistant instructors and postgraduate students, collaborating with chambers of commerce to launch internship schemes, and so on. Personally, I agree with all these approaches.

Members might still recall the Government's announcement during the SARS outbreak in 2003 on freezing the recruitment of civil servants because of the poor economy and reduced government revenue. However, the resulting negative impacts have now started to surface, particularly the impact on the succession of the civil service team.

In the face of the financial tsunami this time around, however, the Government has adopted a completely different strategy by expediting the procedures for recruiting civil servants. We could note from recent news reports the exceptionally enthusiastic responses to some government vacancies, with hundreds or even thousands of candidates scrambling for just one job vacancy. From this we can see that a comparatively stable working environment, that is, government posts, can definitely help luring talents under the current economic environment, thereby injecting new blood into the civil service team.

I believe expanding the places for assistant instructors and postgraduate students can help implement the "3-3-4" academic structure and upgrade the quality of education as this is predictable. During the initial period when the four-year university structure is implemented, the number of university students will be increased substantially. As a result, universities must substantially increase its teaching staff resources in order to cope with the needs of their students.

In secondary schools, with the popularization of general education, teachers have to spend more time and energy making preparations and producing teaching kits. It would definitely be a good thing if more assistant instructors can be recruited to assist serving teachers.

President, after speaking for such a long time, I have apparently not mentioned young people with Secondary Three or Secondary Five academic qualifications. We note that the unemployment rate of the 15 to 19 age group is as high as 19.5%.

I understand that 140 000 training places will be provided by the Employees Retraining Board this year. It is hoped that this, coupled with the

Youth Work Experience and Training Scheme, the Youth Pre-employment Training Programme and the "Youth Employment Start", can alleviate the unemployment problem of these young people. But the problem is that the targets of these schemes are different. There is indeed a need for the Labour and Welfare Bureau to study ways to consolidate resources for the purpose of helping young people with Secondary Three or Secondary Five academic qualifications in a more effective and focused manner.

President, I so submit.

DR PRISCILLA LEUNG (in Cantonese): President, from the perspective of education, we should consider ways to help university students tide over the financial tsunami from four different angles.

First of all, a more balanced approach involving a combination of leniency, love, stringency and punishment should be taken in dealing with the allocation of resources to university students in need. From the angles of leniency and love, I agree in principle with the abolition of the 1.5% risk rate at the present stage. But at the same time, if we are to be accountable to taxpayers, we should request the Student Financial Assistance Agency to establish a more effective repayment mechanism to deter irresponsible university students from defaulting on their loans deliberately or doing so despite their being capable of repaying their loans, for the purpose of preventing them from behaving irresponsibly.

From the angles of leniency and love, I think it is absolutely inadequate to rely purely on the offer of interest-free loans to university students. Regarding the youth problem, I pointed out in a written question raised last year that many young people nowadays would like to join the Home Starter Loan Scheme. In other words, the Government may consider offering them a home starter loan if they manage to find a stable job during the first three years after graduation and begin contemplating forming their own families. When this proposal was raised, the financial tsunami had not struck yet. However, if we can encourage these university students to find a stable job within the first three years and if they are also willing to purchase their own properties, a win-win situation can actually be achieved in terms of the territory's overall property market and encouraging them to form their own families. Many university students hope, so long as they

are given a chance, to put forth this proposal in the hope that the Government can reconsider it.

Second, during my meeting with Financial Secretary John TSANG, I did talk about the emergence of a new group of unemployed people, and I have also pointed out in a number of other meetings that the matter must be taken very seriously. Besides SMEs, the Government should also assist many people in the upper and middle levels, and students who will soon become non-engaged — they are called non-engaged because they have not had any experience in finding employment, and so they are non-engaged rather than unemployed. I propose the Government can consider setting up a \$1 billion unemployment loan fund for these non-engaged young people and young people who have recently lost their jobs to enable them to enrol in some self-enhancement programmes when they are facing restructuring or looking for jobs. Although they can obtain a \$10,000 loan under certain schemes at the moment, I as a university teaching staff would say that it is simply impossible for them to enrol in self-enhancement and practically useful programmes for just \$10,000.

Third, I just heard the good news from the Secretary that mainland enterprises are willing to help, and some agreements have already been reached with them. However, I also heard the Chief Executive Officers of two major enterprises express their views on a radio programme the day before yesterday. Both of them are Hong Kong residents who have been doing business on the Mainland for nearly 20 years. They said that during the 1990s, they were still more than willing to recruit university students from Hong Kong. If students who were willing to work on the Mainland were divided into three tiers, usually students from the middle and lower tiers were willing to work there because it was believed that work on the Mainland was harsher.

They were willing to employ Hong Kong university students back then because of the students' free access to the Mainland. However, they indicated that they would definitely not employ Hong Kong university students today because, in terms of competitive edge, those in the upper tier will not go to work on the Mainland, and they will not employ students in the middle and lower tiers anymore after their experience in employing them.

Therefore, I would like to tell the Secretary that, in order to help the students in the middle and lower tiers, Hong Kong university students must wake up to the fact that our competitive edge has been falling. I was even told by a

Chief Executive Officer that, compared with the competitive edge of the mainland students in the middle and lower tiers, Hong Kong students were lagging behind in terms of personnel management, sense of responsibility and diligence. He said he would not employ Hong Kong university students anymore.

Therefore, I must raise the alarm. To enhance their competitive edge, university graduates must be self-reliant and refrain from harbouring an over-optimistic view that mainland enterprises will employ Hong Kong university students considered by them to be suitable. We must be self-reliant and encourage Hong Kong enterprises to employ Hong Kong students. At the same time, we must call on Hong Kong university students to demonstrate forbearance. We have employed some university students with no working experience before. Evidently, some of them compared poorly with those employed by us in the past. Therefore, they must learn to work diligently and with a good sense of responsibility.

After talking about all this from the angles of leniency and love, I think it is time to spend some time talking about stringency and punishment. I think many taxpayers will feel agitated when they hear university students with working or financial capacity are found to blow the loans they have obtained from the Government instead of spending the money on their studies and living expenses. So long as they bear the title of university students, they can obtain loans very easily. They also do not mind spending the non-means tested, high-interest loans on "courting girls", "stock speculation", and so on. I for one have also encountered such students. We do have expectations of the Government. While we are willing to be open-minded and help students, we are unwilling to help these irresponsible students who are abusing our love.

For this reason, I think stringent actions must be taken to collect debts from these highly-educated but irresponsible students. If a student who has been defaulting on loan repayment is found capable of repaying his loan, the Government must recover the loan from him by legal means. For instance, a notification mechanism can be put in place to notify his current employer to make him feel ashamed for himself. As the saying goes, every grudge can be traced to its source and every debtor has a creditor.

I think that a free approach and a stringent approach should be taken alternatively. Here I would like to appeal to the Secretary to, while considering

our expectations of university students, let them know that they must have a certain sense of responsibility to be a generation of quality people and not to fail their employers who are willing to help them.

This is why I very much hope to share this message with Honourable colleagues here. Thank you, President.

MR LEUNG YIU-CHUNG (in Cantonese): President, the Advanced Level Examination, which will begin in a few weeks' time, will be followed by university graduation examinations and the Hong Kong Certificate of Education Examination. After these examinations, I believe a new workforce will join the labour market, and the market will thus be impacted very severely. But what impact will this be? This is what worries me most. Let me first put aside the employment issues. I am worried that some people will offer some "fake jobs" by taking advantage of the "job seeking tide". It has also been reported in the news today that advertisements of fake jobs, which merely seek to serve boasting and promotional purposes, have been spotted. There were also some instances of "job hoax", in which university students or students who were anxious to find jobs were cheated by, for instance, being asked to make pre-payments before reporting for duty. Although the discussion today is not about this issue, it is somehow related to employment. I merely hope that the Secretary can keep this in view and make a special effort in deploying manpower to examine jobs registered with the Labour Department to ascertain their authenticity and whether fraud would be involved for the purpose of preventing students from being cheated. This is because I would receive a lot of complaints about young job seekers being cheated during the summer holiday every year. Hence, I hope to remind the Secretary here to step up efforts on this front.

Furthermore, as many graduates are now faced with unemployment, I have recently seen the Government making persistent calls on certain organizations to provide attachment opportunities, not only locally but also on the Mainland, to these graduates to help them seek employment. President, we have in principle no objection to the Government's offer of assistance to these students. However, the Government must pay attention to certain details. In particular, are these types of work offered on a long-term basis? As the students would have devoted a lot of energy during their attachment, what can be done if they cannot keep their jobs after a short while? I hope the Secretary can pay more attention to similar issues. The Government must not perfunctorily find some placements for the

graduates simply for the sake of offering a short-term solution to the problem instead of making preparations for a long-term solution. I hope the Government can refrain from seeking to achieve quick success and get instant benefits, for long-term planning is even more preferable.

Meanwhile, the Government's recent public relations and publicity campaigns have given people the impression of focusing on university graduates and the feeling of discriminatory treatment. What about secondary students and matriculated students? Are there any good measures to help them? Apparently, the Government has come up with nothing. The Government might just be counting on the Youth Work Experience and Training Scheme and the Youth Pre-employment Training Programme, as it did in the past. However, these programmes are limited and not vigorous enough. I hope the Government can pay more attention to this front and consider ways to help these secondary and matriculated students.

President, I still recall when Hong Kong was struck by SARS in 2003, as in the case of the current financial crisis, young people found it very difficult to find jobs. At that time, the Government injected some resources to voluntary agencies to create some jobs, including activities organizers, tourism ambassadors, and so on. These jobs proved to be very popular among the young people, and many have participated in the programmes. These programmes have two merits: first, enabling young people to get employed; and second, most importantly, young people will have the opportunity to try a certain type of work to find out whether it is suitable to them. If suitable, the type of work may be treated as a ladder for future promotion, and so continuous development can be pursued.

After the Government's offer of employment subsidies, some activities organizers approached us, saying that no further action had been taken by the Government. After going through the work process, these young people are very pleased with their experience in serving the communities and the skills they have acquired. But how can they continue? Unfortunately, according to the Government, the programme has been concluded. This is very disappointing indeed. It is exactly like the university student internship programme proposed by the Government now. It would be extremely unsatisfactory if the Government merely seeks quick success and instant gains in response to the aspiration of the community, and the job opportunities are merely provided for

the sake of lowering the figures of the unemployed, and then the programme will be terminated and the people will be treated indifferently again.

I hope the Government can sum up its experience and refrain from repeating its mistake. Instead, it should come up with a long-term plan to enable the young people to re-enter the trade or industry instead of wasting their experience. It would be a waste of their time should they change to other trades or industries because of a lack of promotion opportunities. The resources injected by the Government will be wasted, too. I hope the Government can sum up its experience because this is no good.

Lastly, regarding another theme of today's debate, that is, the problem of loans raised by university students, many university graduates have actually told us that they will become heavily in debt upon graduation. We really feel very sorry for them. Just now, Mr LEE Cheuk-yan also raised an important point regarding unfairness. It is unfair that some students capable of repaying loans have chosen not to do so, but the responsibility of defaulting on loans is imposed on students of good conduct, and they are then required to bear the burden of paying for the so-called fines. Why should they be made to share the burden? Why should everyone be made to bear the burden of collecting debts? This is absolutely unfair and unreasonable. Hence, I hope the Government can stop handling the loan problem in this manner. On the one hand, it should stop rendering university students heavily in debt immediately after graduation, for it is highly undesirable to do so. On the other hand, the Government should be fair, as the risk of loan delinquency should not be shared by other people. Since this solution is most unfair, I hope it can be reviewed expeditiously.

Despite the seemingly low interest rate, the students would still find it unfair should the interest be calculated at the time of the loans being drawn, even though the amount involved is not very high, and only an additional \$100 or so will have to be paid in the future. Anyhow, there will still be a feeling of extreme unfairness should students be required to bear the interest while they are still studying. As the amount of money to be repaid by the students will not be high, and the amount of money to be paid by the Government will not be very high too, the Government might as well not calculate the interest until after the students have graduated and successfully found a job. It will be fairer and more reasonable for the Government to act in this manner.

President, I so submit.

PROF PATRICK LAU (in Cantonese): President, as the impacts of the financial tsunami will last quite a while, university students who will soon graduate are worried not only about landing no jobs, but also about failing to repay their student loans. Therefore, I support reviewing the existing student loan schemes and changing the current practice of calculating the interest immediately so that the interest will only be calculated two years after the students have graduated. The purpose is to provide an interest-free incentive to encourage the students to make repayments earlier and, at the same time, allow graduates to repay their loans after they have secured a job so as to alleviate the financial burden and psychological pressure on them.

Information provided by the Education Bureau has revealed that more and more university students cannot repay their loans on time, and this reflects that their employment problem has continued to worsen. Under such circumstances, it is unrealistic to insist on immediate repayment by university students immediately upon graduation. They must have income before they are capable of repaying their loans.

In order to resolve the problem of loan delinquency, it is most important that assistance is offered to enable graduates to find employment expeditiously. I believe Members will understand that, in the face of the economic predicament, a reasonable income is already adequate. Most importantly, graduates are given the opportunity to learn at work and accumulate experience. In particular, one must complete the internship period and pass the professional examination before they can practise and become professionals. This applies to such professions as architects, surveyors, accountants and lawyers. Should they be compelled to switch to other professions because of a lack of internship opportunities, the professional training received by them in universities over the years will be wasted. At present, the subsidized professional training scheme is offered to engineers only, but not architects, surveyors and landscape architects. I hope they can fight for equal subsidies and opportunities.

President, I think that young people have to be psychologically prepared to tide over the difficulties in terms of pay and employers should, all the more, shoulder social responsibility and not resort to layoffs easily. In particular, the bosses of major consortia are young people's idols. Given their "super" financial skills and handsome profits, they should demonstrate their entrepreneurial conscience. This is especially so when the current economic environment is poor. They should all the more fork out more money to contribute to society,

create more job opportunities and help young people find employment rather than taking the lead in effecting layoffs and pay cuts.

Here I would like to praise Chief Secretary for Administration Henry TANG for his excellent performance this time around. He has wasted no time in holding talks with the PCCW Limited and the Hongkong and Shanghai Banking Corporation Limited to prevent them from spreading the atmosphere of "layoffs and pay cuts". I think the Government should make more efforts to prevent enterprises from "fattening the top but slimming the bottom", "recruiting high-salaried directors", and seizing the opportunity to join the tide of layoffs and pay cuts even when they are making profits.

President, in an article in *Ta Kung Pao*, entitled "Employment of university students has become a global concern", it is pointed out that 7.5 million university graduates will look for jobs in China this year. As a result, many university students, or even master degree holders, are obliged to come down from their high horses, and it is even reported that they scramble for the posts of domestic nannies. "Graduation means unemployment" has now become a global concern. University students in Japan, Malaysia, Singapore and the Philippines are all worried about failing to land any jobs. Korean students have even held rallies to call on the Government to resolve youth unemployment problems. In India, more and more students have chosen to work as salespersons and drivers. The United States and Britain have also seen their posts for university students slashed by 8% and one sixth respectively. I learnt from today's newspapers that many people would like to work as nurses nowadays, and many university students are also competing for these posts.

Evidently, the impacts of the financial tsunami have been felt throughout the world. For Hong Kong to maintain its competitive edge, mutual understanding between employers and employees is crucial. Most importantly, the rice bowls of employees must be protected. In this connection, the Government must encourage and create employment. Apart from the development of environmental protection and creative industries, as proposed in the original motion, the related projects should actually be parcelled out for immediate commencement and, most importantly, the approval procedures should also be expedited.

As many vacant sites are currently available, I would like to propose that the sites be converted into creative bazaars to complement and support the small

trader policy, encourage young people to start their own businesses for the sales of their own handicrafts and paintings, and allow street arts performances. I recall the Secretary once told me that a number of magicians had been trained under a plan orchestrated by him. This can, on the one hand, give them opportunities to perform and enrich the atmosphere of the bazaars and, on the other, enable the unemployed to do small businesses to prevent them from being exterminated.

President, despite the poor economy, social services must not be scaled down. In the face of reduced charitable subsidies, the Government must reach a consensus with non-profit-making organizations on not seizing the opportunity to effect layoffs. As regards funding, sponsorship by consortia is most preferable.

Lastly, President, I wonder if you noticed the news the day before yesterday about the gravity of the youth drug abuse problem. This problem is found not only in Band Three schools, but also in Band One, Band Two and international schools.

Earlier, I had an opportunity to join members of the Yau Tsim Mong District Council and the police to visit some "party venues" in Tsim Sha Tsui. I think the Government should seize this opportunity to step up its efforts, study ways to provide drug treatment services to young people, inject more resources, and recruit more graduates to participate in the work of helping young people kick their drug habits. For instance, more manpower can be deployed on publicity drives in schools to prevent the youth drug abuse problem from further deteriorating.

President, there is at present only one drug addiction treatment centre providing lodging facilities in Hong Kong. Moreover, it is privately run. So, why does the Government not set up more drug addiction treatment centres quickly? Doing so will not only solve the youth drug abuse problem, but also create more job opportunities. Most importantly, if the youth drug abuse problem remains unsolved, then even if more job opportunities are provided and more effective initiatives for helping young people cope with the financial tsunami are adopted, it would still be a waste of (*the buzzer sounded*)

Thank you, President.

DR PAN PEY-CHYOU (in Cantonese): President, young people are the group of people with mighty growth potentials and the greatest vitality in society. However, like newborn calves, they are also the most vulnerable. Compared with grown-ups with a stable social status, they can hardly maintain financial independence and position themselves in this rapidly-changing society. Meanwhile, compared with even younger ones, young people lack social protection and benefits and, at the same time, are burdened with responsibility and pressure same as those on grown-ups.

When they step into society upon completion of their academic studies, young people have to support their parents, share the burden of taking care of their family with their parents and siblings as well as mortgage payments and other expenses and, what is more, lay a good foundation for their future. Their goal is to develop their careers, continue their studies, and go dating in order to get married, so as to make good preparations for raising their own children in the future. The adolescence stage can be described as the most crucial in one's life as it is an important stage linking the childhood stage when one is protected with a crucial stage leading to one's future development.

However, young people from families in financial straits and who have to rely on loans to complete their studies face obstacles one after another. Let us use an analogy to describe their situation: Like young birds growing up with their feathers getting thicker and thicker, when they are about to spread their wings and fly high in the sky, they suddenly find themselves unable to move. Why? It is found that, without knowing when, several heavy pieces of lead are tied to their bodies. Failing to take off, the young birds can only look at their more fortunate companions flying in the sky and sigh. The sense of frustration caused by such restraint is indeed indescribable.

Under the financial tsunami, the burden of this generation of young people is even heavier. These young people are also called the "post 80's generation" or the "Ipod generation". "Ipod", an acronym for insecure, pressurized, out of work, and debt-ridden, does reflect the plight faced by this generation of young people under the financial tsunami.

Because of their uncertainties about their future and prospects, the Ipod generation face numerous problems. As they dare not marry and raise children, the birth rate of society continues to fall, thereby giving rise to a host of family

problems. Should their problems remain unsolved, social development will be impeded.

When young people from the grassroots step out of tertiary institutions, most of them are found holding two piles of paper in their hands. On their left hands are a number of certificates, and on their right are bills in acknowledgment of debt owed to the Government for attending courses offered by tertiary institutions. It is indeed ironic that immediately upon their graduation, the students become debt-ridden. What hurts even more is that they might not be able to secure a job. I have also learnt recently, as mentioned by Prof Patrick LAU just now, that some fresh graduates from law schools cannot even find an internship offer this year.

Actually, it is absolutely fair for borrowers to repay their debts. At the same time, the Government is also absolutely capable of relieving the pressure on the young people. For instance, it is reasonable and sensible for the 1.5% risk rate to be calculated upon the graduation of the students. While it is legal and reasonable for the Government to collect interest from students who have not earned income because there is no denying that the students have borrowed money from it, but it is not sensible for the Government to act in this manner. If the Government can waive the students' interest expenses or even postpone the collection of repayments from them, their burden can be relieved.

Regarding the employment of young people, students can hardly apply what they have learnt in a society of a unitary industry. As many students cannot find jobs related to the subjects they have studied, they are forced to engage in the business or financial sectors — in Hong Kong society, finance seems to mean everything. The students can simply not apply what they have learnt from the subjects studied, such as arts, science and other subjects. Is this not a sad story about a serious wastage of manpower resources? Furthermore, under the financial tsunami, we can see that there is a need for the financial industry, being struck by the financial tsunami, to be backed by other industries. This is why the DAB has along supported the development of new industries to enable students to apply what they have learnt. This is also the fundamental way to tackle the unemployment problem faced by young people. Hence, we call on the Government to be more far-sighted in injecting resources into such industries as environmental protection, creative and cultural industries for the diversification of industries in Hong Kong, thereby creating more job opportunities and increasing revenue.

Parents or grown-ups often remind children to study more and harder to secure a bright future. However, if we cannot give young people employment protection upon graduation, they will soon realize that their so-called bright future will come to nothing. What future will Hong Kong hold if the young people cannot concentrate on their studies, enhance their knowledge and cultivate themselves with peace of mind? This is indeed a very important subject. I hope the Government can give serious thoughts to this. Therefore, we support the original motion and amendments.

President, I so submit.

MRS REGINA IP (in Cantonese): President, the motion today seeks mainly to ease the debt and repayment pressure on young people, assist them in employment, find a way out, and provide employment counselling and support. All these well-intentioned proposals are extremely attractive. Strictly speaking, Members of this Council can hardly justify themselves in not supporting these proposals. However, different voices should be heard in society. As the old saying goes, it is better to have one person who speaks his true mind than having a bunch of yes-men. Although Miss Tanya CHAN's motion and the amendments proposed by other Members are well-intentioned, there are numerous problems in terms of logic and implementation. This is why I will express some contrary views.

First of all, is the 1.5% risk rate imposed by the Student Financial Assistance Agency (SFAA) under the "Non-means Tested Loan Scheme" so high and unfair that the Government deserves to be treated as a "high-interest monster"? Actually, when this issue was discussed by the Panel on Education a couple of weeks ago, I instructed my assistant to conduct some market research and found that if a four- to five-year term loan of \$50,000 to \$120,000 is obtained from financial institutions without any collateral, an interest of between 9.18% and higher than 36% may be charged at present. These financial institutions are truly "high-interest monsters". Compared with the market interest rates, the 4% interest rate charged by the Government is indeed very low.

So, why does the Government not offer interest-free loans? I have noticed that the Government has offered a number of interest-free loan schemes to students in accordance with their income and family background in order to

help students with difficulties. Interest-free loans are rarely found in the world. The funds offered by a financial institution, even if it is the SFAA operated by the Government, involve costs, and these are social resources, actually. Under what circumstances should interest-free loans be approved? I think great prudence must be exercised.

I have paid special attention to some newspaper reports about some university students engaging in property or stock speculation after obtaining loans and failing to make repayments as a result. I do not know the exact number of cases of this type. I am citing this case not because I wish to criticize this student. This student was actually extremely smart, only that he was not very smart in making investments. Members who have studied economics should know that there are opportunity costs for everything. Should a student obtain a 4% interest-rate loan from the SFAA and make use of it as capital for making investments, or engaging in speculation on properties, stocks, minibonds or equity notes, a huge profit may be reaped on each transfer. So, why not doing this? The smartness of this university student might be attributed to his ability to apply the knowledge learnt from economics lessons to practical use, only that he was out of luck.

This example illustrates that opportunity costs must be evaluated in putting public money to use. Although we do wish very much to help the students, it must be borne in mind that these are social resources. If we do not point it out to borrowers what opportunity costs mean, social resources will only be wasted in the end.

Furthermore, why does the Government not provide more assistance to university students? I have studied the documents provided by the Education Bureau again very carefully. It is mentioned in the documents that if a student who cannot repay his loan requests assistance because he has difficulties with making repayment for reasons such as sickness, poor family financial situation, or the need to pursue further studies, the SFAA will consider extending his repayment period. However, it is most worrying that — I believe the information provided by the Education Bureau is correct — as pointed out by the Education Bureau, most of the loan defaulters do not pay attention to the repayment notices and reminders issued by the SFAA or liaise with the SFAA for loan arrangements. Therefore, the SFAA cannot provide them with assistance or find out the reasons for their default on loan repayments.

This is a matter of grave concern. Why can indebted students refuse to make repayments and, when they are given a chance to seek assistance, even refuse to explain to the SFAA the reasons for their failure to make repayments? Under such circumstances, should we support not insisting on the levying of the additional 1.5% risk rate or giving up collecting debts from them, or even allowing them not to make repayments even after they have taken up employment? Will some university students be encouraged to act irresponsibly should we act in this manner? I think this is worthy of our consideration.

Furthermore, I have also seen a number of Honourable colleagues proposing attachment allowance schemes to help university students. Actually, the Government has been hinting the launch of such schemes for a long time, and they have become almost certain. I have also learnt from some newspaper reports, as is also pointed out by some correspondence between IT personnel, that the attachment allowance schemes have both merits and demerits. They might also bring harm long before they bring benefits probably because the Government gave the hint prematurely. As a result, some SMEs, on learning that the Government will offer allowances to interns and university graduates, decided to suspend their recruitment drives and wait for the Government to offer subsidies or dismissed some employees whose performance was not entirely satisfactory and waited for government subsidies instead. This will not only distort the labour market but also, in the long run, be detrimental to university students.

As time is running out, all I wish to say is that I very much agree with some of the questions asked by Ms Starry LEE: Why has the unemployment rate of university students and young people remained high over a long period of time, whether during the SARS period or at present? Why is their unemployment rate higher than that of the remaining labour force? Obviously, there are problems with the education system in Hong Kong, thereby undermining the competitive edge of university students. Moreover, there are serious structural problems with the industries of the territory, thus making the way out for university students a serious problem, too. I think the Government should seriously reflect on itself instead of launching some short-term schemes just to suppress the unemployment figures.

President, I so submit.

MR CHEUNG KWOK-CHE (in Cantonese): President, the motion today is meant to help young people face the financial tsunami. Besides looking for jobs, university graduates also have to raise money to repay student loans. I will support Miss Tanya CHAN's original motion because it provides young people with numerous ways to respond to their financial problems. At the same time, I will also support the amendments proposed by other Members they have provided many concrete proposals to help young people. However, I will not support Mr Andrew LEUNG's amendment because the scope of young people will thus be narrowed. Compared with young people with tertiary qualifications, it is even harder for secondary students to find their first jobs. Therefore, the Government may consider, as it did during the SARS outbreak, creating some posts for tourism assistants, youth ambassadors, and so on, to enable young people without tertiary qualifications to be employed and, at the same time, help the disadvantaged in the communities through their work. Here, I would like to add that the problems encountered by young people amid the financial tsunami are not confined to the financial aspect. In creating employment for them, the Government should also take into account their psychological conditions and mental pressure.

Being struck by the financial tsunami, young people are definitely worried about their own careers. But their family members might also be hit as well, with the parents of some young people losing their jobs or becoming owners of negative equity all of a sudden, thus turning these young people from happy-go-lucky students into breadwinners. Many young people whom I have come across feel a lot of pressure because they suddenly find themselves bear a heavy burden as they can hardly adapt to the changes experienced by their families in an instant. Coupled with their lack of experience in life and knowledge of tackling problems, they could give themselves up very easily. If they meet some bad people, they might even follow them in making fast bucks. Therefore, apart from their need for financial assistance, young people also need psychological support amid the financial tsunami. Anyhow, I am still confident in the young people in Hong Kong. With appropriate support and encouragement, they can definitely develop resilience in facing economic adversity. Provided that they can think independently and critically, they will not give themselves up just because they earn less than others. Furthermore, they will be able to counteract the trend of materialism and humble themselves to accept some elementary-level jobs when the market is not favourable. Now, it is

precisely because of the poor efforts made by both society and the Government in developing their critical attitude and independent thinking that they find themselves easily lost in the trend and culture. The problem will become even more apparent when they are face adversity.

President, in his column last week, Prof Nelson CHOW of the University of Hong Kong revisited several forgotten core values, namely a good sense of responsibility, integrity, impartiality and self-restraint. Nevertheless, young people might not take these traditional and fundamental values seriously and even consider them out of fashion. So, what are the social problems facing us? If we ask ourselves honestly, we will find that we simply do not have any expectations about the development of young people. Neither can I see the Government has any youth policy. So, how can we blame the young people? The current financial tsunami is just a test. Our young people will emerge even tougher in weathering the current storm. However, for preparations to be made for young people in the future, we must formulate a youth policy, which is a task of great urgency.

President, I so submit.

MR CHEUNG MAN-KWONG (in Cantonese): President, both the Hong Kong economy and the hearts of the Hong Kong people are being pounded by the financial tsunami. During a Question and Answer Session, Donald TSANG sounded an advanced warning that, with graduates joining society for work during the summer holiday, the unemployment rate is predicted to rise further. Even the Task Force on Economic Challenges has launched new measures to help graduates seeking employment. However, the unemployment tide has already escalated with the dismissal of employees by several major enterprises soon after the Lunar New Year. I am not being indifferent to the difficulties faced by enterprises. However, if enterprises can still keep a surplus, it should manifest their human touch by tiding the difficulties with their employees instead of making them redundant.

In order to make it easier for graduates to find jobs, I support the offer of government subsidies to encourage the business sector to create temporary jobs and placements. However, the subsidies are meant for creating employment.

Employers should not lay off their existing staff and resort to even lower pay and replacement of their existing staff in order to receive the subsidies. The objective of the Government's subsidies is to prop up enterprises. Should enterprises fail to protect employment, the Government would suffer a double loss. Therefore, the business sector must undertake to adhere to the guiding principle of helping each other in weathering the crisis without making their staff redundant while creating placements and receiving government subsidies.

The territory's latest unemployment rate has risen to 4.6%, with the unemployment rate of people aged 20 to 29 reaching 5.3% and those aged 15 to 19 reaching as high as 19.5%. Given that the employment rate of young people has always been on the low side, the situation has worsened amid the financial tsunami. However, young people are more than university students. In protecting employment, the Government must not forget that a larger proportion of the students are secondary students who will become jobless upon graduation.

Even if university students are hopeful of landing jobs, they are still under extremely heavy pressure in repaying student loans. I have always opposed the Government's levying of an additional 1.5% risk rate on full-time students. It is even more disgusting that students are charged accrued interest during their study period, when they have yet to take up employment. The Government has recently kept hinting that loan delinquency has become increasingly worse. However, the Government has merely revealed part of the fact. In particular, in handling cases of default on loans for two instalments, the Government would treat the amount of repayment which is not yet due as contingent liabilities. As a result, the amount of defaulted loans will be inflated indefinitely in excess of the amount of repayment, thereby justifying the levying of the risk rate. As pointed out by many Members, this is absolutely unfair to many of the students who make repayments on time, and responsible students are in effect being punished. Therefore, the risk rate and the policy of charging accrued interest during the study period should be abolished altogether.

In the meantime, the Government has also evaded some structural conflicts in offering subsidies. Not only has the benchmark for calculating students' expenses by the Student Financial Assistance Agency remained unchanged for two decades, the standard of living and the level of expenses have also become completely out of tune with the times. Two decades ago, students had no

computers and, hence, IT expenses. The pattern of consumption was also different. Now, the grant and low-interest loan received by a student of a four-person household with a monthly income of \$20,000 might be less than 10% of his tuition fees. As a result, he has to apply for high-interest loans to pay for the remaining tuition fees. Eventually, he will become heavily in debt and unable to repay his debt even after graduation.

It is noteworthy that, according to the data on loan delinquency, 70% of the cases are related to adult or continuing learning, not full-time students, because the Government has been extremely loose in approving loans for continuing studies, and it is even accused of granting approvals indiscriminately. Like the Continuing Education Fund (CEF), the Government has been ridiculed as an automatic teller machine that welcomes everyone. In order to receive the \$10,000 worth of student subsidy, programme operators have jointly raised their tuition fees to \$12,500. As the subsidy can be used to cover 80% of the tuition fees, that is, an exact amount of \$10,000, this would mean that the full sum of the subsidy can be pocketed by the programme operators.

As students can only obtain subsidies upon completion of their programmes, they have to apply for non-means-tested loans. However, there is no quality assurance for the programmes and no government supervision of the relevant institutions. Students borrowing money to pursue studies might end up being unable to or reluctant to repay loans. Despite the gravity of default, the relevant institutions can continue to make profits by relying on the CEF. As the bill is to be footed by public money, the institutions will be able to tap unlimited money from the Government and keep it in their pockets safely. Regarding Mr WONG Kwok-hing's amendment proposing to raise the subsidy amount of the CEF to \$30,000, should the Government fail to come up with vigorous measures and address squarely the fact that the institutions operating the programmes can employ their old tricks again by jointly raising their tuition fees to more than \$30,000, the immediate effect achieved will be: the same programmes, after some packaging, can triple their tuition fees. Even though nothing can be gained by the students, they will already become heavily in debt, and loan delinquency will become even more serious. What can the Government do by then? While I have no objection to subsidizing students to pursue their studies, I would like to call on the Government to make effective use of public money and spend the money where it is due, instead of going from bad to worse by turning itself into

an automatic teller machine for unscrupulous institutions. This is why the Democratic Party has reservations about Mr WONG Kwok-hing's amendment.

Furthermore, the Democratic Party considers Mr Andrew LEUNG's amendment, which seeks to confine the arrangement of waiving the risk rate and calculating the interest after the completion of the relevant programme to students with financial difficulties, as an act of helping the Government to conceal and uphold this unreasonable policy and evade the unfairness suffered by full-time students due to the levying of interest during their study period. Therefore, the Democratic Party cannot support the amendment.

President, I so submit.

MS CYD HO (in Cantonese): President, the motion today is all for the good of young people. For this reason, even though I do not agree to some of the points, I will still render my support rather than opposing it.

I very much agree with Mr LEE Cheuk-yan that youth unemployment is never a transient problem. Whether the economy is in good or bad shape, the youth unemployment rate is always as high as the unemployment rate of low-skilled workers. This problem is not unique to Hong Kong. In many developing countries, the youth unemployment rate is even two-digit, as high as some 20% to 30%. In December 2008, I advised the Office of the Chief Executive and the Financial Secretary that the authorities should co-operate with the business sector and offer allowances to employers who provide internship posts to current graduates. The target number of such posts was 3 000. But I also advised that as a precondition, all employers participating in the scheme must not lay off any current employees performing duties similar to those of the internship posts.

I am very thankful to the Government for accepting my proposal. And, I must also thank the business sector for showing such great goodwill. I hope that internship posts will be offered not in Hong Kong only. I even hope that with the assistance of chambers of commerce and other organizations, internship opportunities can also be made available in the Mainland, so that Hong Kong graduates can learn more about the country while living and working there, and more local talents can be nurtured for playing a greater role in the future economic integration and development of the two places. The provision of

internship opportunities needs not necessarily be confined to the Mainland. In Australia, many graduates are given financial support for participating in the activities of international aid agencies and experiencing life in developing countries. I believe that if our graduates are willing to "live a hard life" for just six months to one year, they will surely get very good exposure.

It is rather difficult to secure any employment in times of recession. But those without any working experience at all will face even greater difficulties. A batch of graduates will have 12 months during which they are regarded as novices. Employers are generally more tolerant of novices. But after 12 months, if any graduates of this batch still fail to get any jobs, they will have to face the competition from the new batch of graduates. Employers will not remember that these students have been forced by a recession to wait in vain for employment for more than some 11 months. Employers will only wonder why they have still failed to get any jobs after some 11 months. This period of waiting and no employment records will have a very bad impact on students' career history. They will face difficulties in securing employment not only in the year in question but also in the following five years.

Dignity comes with having a job. One may well regard momentary unemployment as vacation. President, there is a vogue word these days. It is the word "遠¹". There is a written character for this word, made up of the radical "辵²" with the word "喜³" on it. This written character is suggestive of both the pronunciation and the meaning. However, if such a state lasts too long, that is, if one is kept afloat in a boat for much too long and cannot set foot on solid ground, frustration will turn into happiness. Over time, one may even become a "Train Man". The youth of one's life will be wasted, and so will be all the social resources invested in nurturing our students.

Enabling young people to gain working experience, to amass experience, is the best form of help for them. In this connection, internship opportunities are the first step that can best enable them to gain experience. I must advise the authorities that they should widen the scope a little bit in the course of

¹ This roughly means dallying in contentment.

² This radical is often referred to as "a boat" by Cantonese-speaking people for its resemblance to the shape of a boat.

³ This means happiness.

implementing the internship policy. Internship should not be restricted to the time after graduation. Rather, during the course of studies, students can also be allowed to take up internship related to their disciplines in various organizations. In Germany, there is a very good apprenticeship system. Under this system, the institutions concerned will make internship arrangements for students of culinary arts, hotel studies, optical technology and even dental surgery assistant programmes. That is why more than 50% of the young people in Germany already possess some working experience even before graduation, and as a result, they can secure employment easily upon graduation. I hope that such a policy can receive the Government's support, and I also hope that the business sector can learn from such internship culture and assist in upgrading the employability of Hong Kong people.

President, lastly, I wish to talk about the issue of money. The 1.5% risk rate is definitely unable to help the Government recover the loans. The 1.5% risk rate will only shift the costs onto students who repay as required. The charging of this interest rate is both unfair and inefficient because students who do not want to repay their loans will simply ignore the Government, and it will be impossible to locate them. The amounts of bad debts will only increase. However, President, I must point out that all the problems relating to repayment and loan approval are actually caused by one reason. The tertiary tuition fees in Hong Kong are much too high. I may read aloud two sets of statistics for Members' reference. The first set is about the per capita GDP in several places. In Britain, the per capita GDP is US\$55,000; in Australia, it is US\$39,000; in Germany, it is US\$40,000; and, in Hong Kong, it is US\$29,845. Compared with all these countries, our wealth gap problem is the most serious. Our per capita GDP is also the lowest. But our university tuition fees are nonetheless the highest. Let me now read aloud the second set of statistics. In Britain, the average university tuition fee is US\$4,487. Students can extend the period of loan repayment to the age of 65. And, if there is still any outstanding balance after the age of 65, no further repayment will be necessary. We naturally do not wish to see such misery among Hong Kong students. In Australia, the average tuition fee is US\$2,564. Students are allowed to defer loan repayment until they can earn AUD200,000 a year. This is indeed a very generous arrangement. Students can of course choose to repay their loans earlier than that. In Germany, no tuitions fees are charged. There are just some miscellaneous fees amounting to US\$640. In Hong Kong, the average tuition fee is US\$5,384, with interest

being charged immediately upon loan drawdown. And, there is also the 1.5% risk rate.

Therefore, President, if it is claimed that Hong Kong needs to nurture talents and maintain its competitiveness, should we still discuss whether the 1.5% risk rate should be removed and how we can recover the loans extended at a time when we possess more than \$1,500 billion in fiscal reserves? Actually, what we must tackle should be the issue of providing students with more post-secondary education opportunities at affordable costs. Thank you, President.

MR PAUL CHAN (in Cantonese): President, at the Legislative Council meetings late last year, some Members moved motions on urging the Government to assist the grassroots, small and medium enterprises and the transport sector in coping with the livelihood and business difficulties arising from the financial tsunami. Most of these motions were passed, showing Members' concern about the impacts sustained by the various sectors and strata in the economic downturn. Today, we are here discussing the ways of assisting young people in coping with the financial tsunami, in particular how we can help them avoid unemployment, or even prolonged unemployment, immediately upon graduation.

I agree to most of the proposals contained in the original motion and the amendments proposed by Members. In my team of advisers, there are many people from the education sector and many others who are very concerned about the well-being of young people. They have all put forward plenty of precious views on the motion and the amendments, thus enabling me to have a firmer grasp of the debate today.

Most of the people I have listened to urge the Government to create employment opportunities for young people. The reason is that in May this year, hundreds and thousands of students will be graduating from university. But job vacancies in the employment market have nonetheless decreased drastically. As demand exceeds supply, it is very easy to imagine their difficulties in securing employment.

According to the statistics on unemployment rates announced by the Census and Statistics Department yesterday, the unemployment rates by age

groups between October and December were 19.5% for the age bracket of 15 to 19 and 5.3% for the age group of 20 to 29, showing respective increases of 4.4 percentage points and 1.3 percentage points when compared with the same period last year. Compared with the previous quarter, that is, September to November, there were also respective increases of 1.4 percentage points and 0.3 percentage points. Although these unemployment rates are still lower than the rates recorded during the SARS outbreak, the differences are very small. Members must still raise their vigilance against the gravity of the situation.

Assisting young people in securing employment opportunities is a matter of particular importance. If no assistance is offered, it will be very difficult for them to gain working experience. And, even if the economy turns around later, it will not be easy for them to find any jobs either.

According to the Government's latest estimation of its financial position, the Government may record a surplus for the 2008-2009 financial year. The situation will be better than having a huge deficit as originally forecast. That being the case, and since we have already amassed a surplus of several billions and a foreign exchange reserve of more than a thousand billions, the Government should have the means and ability to do something more for young people. Apart from providing internship posts in government departments, we may also follow the example of the Singaporean Government. In an attempt to encourage enterprises to take on fresh university graduates, the Singaporean Government will pay an enterprise 30% of the salary of a university graduate it employs for a period of two years. The aim is to encourage enterprises to take on more fresh graduates to relieve their unemployment, enable them to gain actual working experience and pave the way for their future career.

However, the Government must note that such subsidy must be provided with due care lest university graduates may be reduced to a source of cheap labour. Besides, it must make sure that this measure will not be abused by any unscrupulous enterprises that try to lay off other employees and then take on university graduates at low costs.

As for the original motion and the amendments, I support Mr WONG Kwok-hing's proposal on raising the subsidy amount under the Continuing Education Fund to \$30,000 or even more. The reason is that the tuition fees for

a two-year higher diploma programme or for a first-degree programme generally range from \$70,000 to \$100,000. The total tuition fees for a three-year programme may even be \$100,000 to \$120,000. This means that the present subsidy of \$10,000 is just a drop in the bucket.

Regarding the 1.5% risk rate, I agree totally with Honourable colleagues that it should be removed. And, I also support the proposal on suspending the collection of repayment from student borrowers in financial difficulties for a period of one year and allowing them to approach the Student Financial Assistance Agency (SFAA) for further assistance in case of need. I wish to emphasize that the approval of student loans by the Government should be based on lenient, rather than stringent, criteria lest some financially-tight students wishing to pursue further studies may be rendered unable to pay the required tuition fees, or even forced to pay for their university education by paying high interests or taking up several part-time jobs.

I maintain that the 1.5% risk rate should be removed because education is a form of social investment, having nothing to do with any commercial activities. We should not be so mean, should not always focus on recovering all the related costs. I maintain that at the level of policy formulation, our society should be guided by such strategic visions and magnanimity, rather than always making costs computations with a calculator.

Some statistics released by the SFAA show that the default of student loans has become a serious problem. And, the situation has been continuously worsening. For example, some students may even use their money on stocks speculation instead of making any repayment. And, they even make all sorts of false accusations. Such acts are indeed shameful and will only add to the burden of students making punctual repayments. I think the authorities concerned should review the procedure and vigour of repayment collection, so as to make sure that effective and appropriate actions are taken. I also agree that the SFAA should set up a credit database to record the particulars of students defaulting on repayment. That way, when they apply for loans and credit cards from banks in the future, they will have to offer an explanation, and this will achieve a deterrent effect.

President, I so submit.

PRESIDENT (in Cantonese): Ms Cyd HO requests to correct a figure she mentioned in her speech just now.

MS CYD HO (in Cantonese): I made a mistake just now because I spoke too fast. When does a student in Australia start to repay his loan? Not at the time when his annual income reaches AUD200,000. But the present arrangement is still very generous. He will start to repay his loan when his annual income reaches HK\$200,000. Thank you.

PRESIDENT (in Cantonese): Ms HO, when you explained the word "遭", you said that if such a state lasts too long, frustration may turn into happiness. I think you actually wanted to say "happiness may turn into frustration".

MS CYD HO (in Cantonese): Thank you for your clarification, President. By the way, I wish to tell Members that the word "遭" cannot be found in any dictionary. It is coined by lyricist Wyman WONG.

MS AUDREY EU (in Cantonese): President, it seems that every week these days, there must be a motion debate related to the financial tsunami. Topics already debated include small and medium enterprises, the grassroots and the elderly. This time around, the topic is about young people.

The original motion moved by Miss Tanya CHAN mentions the need for helping young people cope with the financial tsunami. She makes special mention of two problems: first, the indebtedness arising from the Non-means Tested Loan Scheme; and, second, the problem of "unemployment after graduation", that is, difficulties in securing employment.

Many of her proposals and those others mentioned in the amendments have in fact been discussed in the Legislative Council before. For example, the Legislative Council has already held discussions and reached a consensus on reviewing the Non-means Tested Loan Scheme in the directions of making it more flexible and less stringent, removing the 1.5% risk rate and charging interest only after a student has completed the relevant programme. Understandably, due to the onslaught of the financial tsunami, some Members have put forward

other proposals this time around, one example being the one on suspending the collection of repayments from all borrowers of student loan schemes.

President, the Government has all along maintained that all such loan schemes should be run on a self-financing basis, and that they must not make the Government bear any extra losses. And, there is another principle which leads people to ask, "If the Government is to bear losses under these loan schemes, how about other types of loans or funds?" Very often, the Government is worried about the consequential problems. The Legislative Council has actually reached a consensus on this. As pointed out by Mr Paul CHAN just now, education is a different issue because it is a form of investment. In a way, when a young person wants to apply for a loan in order to obtain higher qualifications, he is in a way making an investment in society as a whole. That is why student loans and commercial loans should be considered differently. As far as I can remember, the various political parties and groupings are all of the view that the Government should have long since removed the 1.5% risk rate, and they have repeatedly advocated that there should be no interest accrual when a student loan borrower is still pursuing his studies. I hope that at this very time of difficulties amidst the financial tsunami, the Government can do what is right and accept members' advice.

We received the latest statistics from the Government only yesterday, or perhaps even this morning. According to these statistics, the Non-means Tested Student Loan Scheme is facing a worsening default problem. President, the Civic Party appreciates that it is necessary to solve the problem. However, this does not mean that those making punctual repayments should be made to bear the brunt of the problem caused by defaulters. There should be other solutions. First, in regard to penalties, more interests may be charged on defaulters, and they should be warned that they may thus face credit difficulties in the future. Second, the Government should take more active steps to collect loan repayments. I have discussed this matter with the Under Secretary for Education. Very often, students are not the only cause of the problem. If not enough efforts are made to perfect the lending procedures and collection of loan repayments, people may well think that it is not necessary to make punctual repayments. The Under Secretary has agreed to examine all the related problems.

President, in regard to prospects of further studies and employment, the Civic Party has always maintained that especially during the times of the financial

tsunami, the Government should focus on the development of a green economy or a low carbon economy as mentioned earlier by the Chief Executive. For both the creation of employment opportunities or prospects of further studies, thoughts should always be given to the creation of green jobs and the provision of research or study opportunities related to environmental protection.

We have actually discussed all these issues with the Financial Secretary, advising him that he may follow the examples of the "I.T. Seeds" Project and the "E-leader" Training Programme. This is especially true when we observe that many companies have put in place similar energy conservation schemes to assist customers in conserving electricity and then share the savings with them accordingly. Such schemes require many workers, such as energy conservation ambassadors. Students can be trained to take up energy conservation posts or energy audit work.

President of The Hong Kong University of Science and Technology, Paul CHU, said in a recent radio interview that in the face of the financial tsunami, the Government should make more investments in technological research because the world trend was to find out how to use cleaner forms of energy or to use less energy. In this regard, we have also encouraged the Government to induce young people to engage in technological research, in addition to granting lands and developing creative industries. It is believed that this can help promote the emergence of a green economy and a low carbon economy. President, in its submission to the Financial Secretary, the Civic Party has also included such proposals, including those on green engineering and architectural projects.

Thank you, President.

MR ALAN LEONG (in Cantonese): President, a once-in-a-century financial tsunami has hit us, bringing forth far-reaching impacts. As many secondary school-leavers and university graduates will soon join the labour market in May and afterwards, the Government must race against time and formulate corresponding measures early, so as to assist them in coping with the brunt of the financial tsunami. It is only in this way that young people can be helped to cope with their financial and employment problems. I hold that the Administration can ease the pressure on young people in three ways.

President, the three ways I suggest are relieving their burdens, creating employment opportunities and encouraging business start-up. The Government may make efforts in these three ways.

Recently, a group of undergraduates and university graduates staged a procession, demanding the Government to remove the present 1.5% risk rate and to start charging student loan interests only after the completion of the relevant study programmes. The slogan they created, "In debt up to the neck, students can ne'er repay their debt", should warrant the Administration's reflection.

The Non-means Tested Student Loan Scheme is meant to ensure that no student will be deprived of education opportunities through lack of means. However, under this loan scheme, interests are already accrued when students are still pursuing their studies, so in many cases, a student borrower will become heavily indebted after graduation from university. This policy simply cannot realize its avowed objective. Since students do not have any income during their period of study and their repayment ability is low, the Government should not apply those loan conditions in the wider community to students. The Civic Party is worried that with the implementation of the four-year university structure, the financial burdens of students will only turn heavier. Therefore, the Government must regard education as a social investment in talents training and amend the relevant policy as soon as possible. Only this can help relieve university graduates' burdens.

President, concerning the creation of employment opportunities, many university students have recently told me of their worry that their graduation may mean their unemployment. To properly address this worry of students, the Government must urgently implement measures to create job opportunities. Apart from providing allowances to encourage enterprises to recruit university graduates, the Administration should capitalize on the opportunity presented by the East Asian Games 2009 as early as possible and seek to create short-term posts that accord priority to the upcoming batch of fresh graduates. Besides, the Government should start training the workers required for the Games at an earlier time, make young people the backbone of this grand event, and at the same time upgrade their sports consciousness.

President, the role of social enterprises cannot be ignored either because they can provide young people with another avenue. Jamie OLIVER, a

renowned British chef, has opened a number of restaurants in Britain and Australia under the name of Fifteen. His aim is to influence the disadvantaged youngsters working in these restaurants through the supportive atmosphere there, so that they can regain their confidence and contribute to society. Locally, the Woofoo Social Enterprises is noted for its taking over of Warehouse Teenage Club, which provides young people with opportunities to develop their artistic talents and achieve whole-person development. President, we can therefore observe that social enterprises can actually help young people tackle their employment difficulties. However, the Government has never tried to support social enterprises by providing them with any tax concessions, preferential loan conditions, planning flexibility and waivers of government fees and charges. As a result, it is simply impossible for social enterprises to develop soundly.

President, lastly, in regard to encouraging young people to start their own businesses, the role of the Government is also very significant. We have seen how large numbers of young people seek to turn creativity into business opportunities in Lunar New Year fairs. The products they sell are well-received by people. However, it seems that apart from Lunar New Year Fairs, they do not have any other opportunities to display their creativity. The Civic Party has always believed firmly that an integrated industrial policy will be conducive to economic development. The Administration should expeditiously provide room for the development of cultural creative industries, so that young people can bring their creativity into play. Cultural creative industries aside, many young people nowadays have established e-shops. This is also a popular way to start a business. Since young people are more familiar with the Internet world and the costs of starting e-business are relatively low, they are attracted to start such businesses.

President, whether they choose to start creative businesses or e-businesses, young people all lack the required experience. That is why the Government should provide them with a more comprehensive range of professional expertise and assistance, financing and lending facilities and venues for renting, so as to encourage them to start their businesses.

President, since all the measures on coping with the financial tsunami and the launching of the 10 major infrastructure projects cannot benefit young people directly, I hope that the Administration can focus on the three ways I have

mentioned, that is, relieving young people's burdens, creating employment opportunities and encouraging business start-up, so as to assist young people in coping with the economic downturn resulting from the financial tsunami.

I so submit.

DR RAYMOND HO (in Cantonese): President, attacked by the financial tsunami, the global economy has slackened. Being an externally-oriented economy, Hong Kong is no exception and has also suffered severe impacts. Its financial industries are the hardest-hit, and apart from them, the export and trading sectors have also sustained heavy blows. The negative impacts on other economic spheres have started to surface. Likewise, the employment situation in Hong Kong has been rapidly deteriorating. While showing that the unemployment rate has soared to 4.6% from 3.2%, the statistics announced lately also indicate that the unemployment problem of young people has become even more acute, warranting the concern of all.

Young people who are faced with such an appalling situation when they are just about to embark on their career will find it very difficult to cope. They may not even know what to do. They do not have any social and working experience, nor do they have personal connections. When all this is compounded by an economic downturn, it will be even more difficult for them to secure any employment. For this reason, society should provide them with more assistance. Apart from stepping up employment counselling and employment assistance for them, we should also create more employment opportunities for them through various means.

As young people lack working experience, many employers are reluctant to take them on. This is especially the case at the present time, when the demand for jobs in the market exceeds the supply. Faced with a situation under which employers have many choices, young people find it very difficult to land any jobs because they lack experience and cannot compare favourably with experienced applicants. Therefore, the relevant authorities should liaise with different organizations and employers, so as to secure a greater number of internship opportunities for young people, thus enabling them to gain some working experience and make the first important step in their life. In order to provide incentive, the Government may consider the idea of offering subsidies to the

relevant organizations and employers. But the amounts of subsidies must be set at reasonable levels. And, the authorities concerned should also take appropriate steps to ensure that interns will not be used as a form of cheap labour lest this may deal a further blow to the normal employment market.

President, in the long run, Hong Kong must develop some new types of industries to reduce its reliance on traditional industries and services. As a matter of fact, this Council has already moved various motions on urging the Government to promote the development of different industries, including green industries and creative industries. I am also of the view that Hong Kong must increase investments in research and development and the promotion of innovative technologies, so that it can develop itself more in the direction of a knowledge-based economy, upgrade its productivity, enhance its competitiveness and foster the progress of the relevant sectors, thus creating more jobs for young people.

To support the development in this respect, we must step up talents training and encourage young people to pursue continuous studies and learning. In view of the current economic situation, the Government may consider the possibility of increasing the number of subsidized places in the various levels of programmes offered by tertiary institutions. In the case of students with financial difficulties, it is even more necessary to provide them with student loans and related assistance to help them tide over the present difficulties, withholding interest accrual in the meantime until after they have completed the relevant study programmes. As for tertiary students in financial straits, the collection of student loan repayment from them should be suspended for one year to assist them in coping with their difficulties. However, I maintain that in order to ensure the proper use of social resources, the proposals of deferring interest accrual and suspending loan repayment should be restricted to students in financial straits, rather than applying to all student loan borrowers.

President, I can appreciate the current difficulties faced by young people, but I must add that rather than despairing, they must have the courage to face the challenges. No economic growth will possibly last forever, and similarly, there will always come the day when an economic downturn comes to an end. Young people must equip themselves and pursue lifelong learning. When opportunities eventually arise, they will be able to give expression to their abilities.

For years, I have always upheld the principle of lifelong learning. I have been working hard to obtain various professional engineering qualifications. Of the 18 professional engineering qualifications, I have already obtained seven, and I am going to obtain one or two more. I want to show young engineering professionals that we must look for more challenges, tackle them and face up to them. I hope that I can set an example for young people, encouraging them to work hard for personal betterment. Speaking of lifelong direction and attitude, I always think that young people must set for themselves very clear directions and paths for their development. Whatever circumstances they face at any stages of their life, they should still insist on the same direction and attitude.

I so submit. Thank you, President.

MR LEUNG KWOK-HUNG (in Cantonese): President, what we are discussing is an interest rate of 1.5%, that is, whether the Government should shift the risk to those who also pay. What we are discussing is actually a very trivial matter.

We are discussing the issue of education. Education in the context of Hong Kong If education is recognized as a right, and considering the overall wealth possessed by our society, it must be admitted that all young people in Hong Kong should be entitled to university education. The hardship battering some university students is nothing but the consequence of Hong Kong's university education policy.

I am frankly fed up with discussing all these matters. Today, we are discussing the education policy. But if we want to know the present situation, we can just look at the Legislative Council. The workers now serving us water and tea and the security assistants here may well have to bear this 1.5% interest rate, because most of their children study in Hong Kong. But may I ask all the top government officials and Members here whether any of their children study in Hong Kong? The answer must be "no". By proposing to remove the 1.5% interest rate, we are just doing something for others. If we just make a simplistic analysis of the Legislative Council's class composition, we will see that what we are discussing is altogether elusive.

What is the problem with education in Hong Kong? Or, where does the problem lie? The problem, precisely, is that the children of wealthy people, or

the children of those who are able to have a greater share in the allocation of social resources, do not need to receive education in Hong Kong. I do not know where your children receive education, right?

What is our problem? Our problem is that the first-round allocation of social resources is already unfair. Our rate of profits tax is very low, among the lowest in developed places and countries. Similarly, our education expenditure (including university funding) is also very low, and if expressed in terms of its proportion as a share of the GDP, it is again among the lowest.

Here is the "fast knot", but the small amount associated with this 1.5% interest rate still gives poor people such a headache after their graduation. How can the Government still say anything more? Is the Government really very poor? The Government in fact has a lot of money. Under the low tax regime, we do not have any internal and external debts. Our fiscal reserves, when calculated on a per capita basis, are similarly among the highest in the world. That being the case, I must ask why reforms are not introduced. Why do we have to discuss the interest rate of 1.5%? Why can't our young people enjoy university education as a matter of right, in very much the same way as their counterparts do in other societies?

Ms Cyd HO mentioned the apprenticeship system in Germany just now. Under this system, young people who cannot cope with their academic studies can choose to work as apprentices for three years. This is in fact a form of government subsidy. Why is it impossible for us to follow suit? The reason is that our Government is not prepared to levy any taxes on capitalists for the purpose. Am I correct? Can Members imagine how much we can obtain if we levy a progressive profits tax at a rate of 20% on capitalists who reap huge profits? What can we do with the money so obtained? We can do a lot more.

But instead of making any proposal on this, some people have even asked the Government to assist in dealing with the low rate of research and development. They have not been paying too much tax, but they still request the Government to assist them in conducting research and development. Are they sick? These people have not been paying too much tax, but now they argue that our industries' expenditure on research and development is very low, unacceptably low, being less than 1% of the profits. They therefore ask for government funding again to benefit themselves. Why is the money not spent

on all those poor students? This is a question that the Government will never answer.

Is education a right? Under the International Covenant on Economic, Social and Cultural Rights of the United Nations, education is a right. In practical terms (Many people say that I must be more pragmatic), on the basis of a horizontal GDP comparison of different places, should our students and young people be entitled to good education? And, if they are not capable of entering university, can they first study in community colleges, that is, first enroll in apprenticeship schemes, before they switch back to university education? Can this be possible? This is itself a topic for debate.

The second thing is about the employment policy. LAM Hang-chi has upheld one conviction for many years. But it seems that he has recently regained his conscience. In the past, he used to think that it is totally incorrect to increase profits tax, however small the increase may be. But now, he is saying that it is not very useful for politicians and social activists to only ask the Government to preserve jobs. He now argues that the most important thing is to ask the Government to introduce a progressive profits tax. Just listen to him! Even such an ultra-rightist like LAM Hang-chi now argues for the case of progressive profits tax, so as to get more money and use it for reform. Why don't we discuss this idea?

Why are we afraid of addressing this issue squarely? The Government is an organization in possession of public powers. But, well, this Government, which is returned by coterie elections, will just reel off the same litany of responses every time when society is hit by a calamity, such as a financial tsunami or a financial crisis, urging us to join hands to tide over the difficulties. Do they have any sense of shame? When we asked for the formulation of a minimum wage in times of economic boom, they refused. Now, however, the "task force on shoe-shining" claims that the idea must be shelved. What kind of society is this?

Every time, we must be so humble, and we speak with their moods in mind. They say that the financial tsunami is approaching, and we are about to die. But who created this financial tsunami in the first place? The causes are the Government's policies. The investigation into the Lehman Brothers incident is about to begin. Therefore, the crux of the problem is very obvious. I think

that instead of begging them, all young people should come forth. President, I can remember one slogan, and I suppose you should have heard of it as well — "concern for the country's affairs", followed by "carry through the Great Proletarian Cultural Revolution". The second part of the slogan is wrong, but the first part is right. Young people must be concerned about the country's affairs and come forth to voice their dissatisfaction. On 1 July, all young people, employed or unemployed, must come forth to voice their strong dissatisfaction with the disparity in wealth and unequal distribution of resources created by all these coterie elections. They must shout loudly, "We are not begging you. We are telling you that we will revolt."

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

(No Member indicated a wish to speak)

PRESIDENT (in Cantonese): Miss Tanya CHAN, you may now speak on the five amendments. You have up to five minutes.

MISS TANYA CHAN (in Cantonese): President, at the time when I decided to propose this motion, I could not imagine its becoming one of the motions that has attracted the greatest number of amendments so far in the current Session. Many Members have spoken enthusiastically on the motion. Besides the Members who have proposed amendments to the motions, 16 Members in total have spoken. Most of these Members are very concerned about the young people in Hong Kong. I can assure our young people that society really cares for them. But I do not dare to say whether the Government also cares for them.

I always think that when it comes to any topics of territory-wide implications, we should not allow ourselves to be influenced by any partisan differences. Therefore, we will surely render our support if any amendments are acceptable to the Civic Party. In the following part of my speech, I shall explain the Civic Party's views on the various amendments.

Regarding Ms Starry LEE's amendment, the Civic Party holds that its proposals on student financial assistance and loans are very positive, and some of

the specific proposals are also very good. I agree that the aim of this amendment is to offer help to young people by drastically lightening their financial burdens. For this reason, we will support the amendment. However, I must still emphasize that many of the proposals in this amendment are rather complex in nature, as they will involve some policy changes and administrative technicalities. For example, if the calculation of interest is to be withheld until a student has secured employment, what should be the definition of "securing employment"? What should be done in case a student suddenly loses his job, as mentioned by Mr Tommy CHEUNG just now? Should part-time jobs and casual jobs be counted? How are self-employment and freelance jobs? We must conduct further discussions on all these.

Mr WONG Sing-chi's amendment proposes to conduct a comprehensive review of the policy on student financial assistance and loans. His proposal adds to my motion, making it more comprehensive and in line with the current situation. For this reason, we will support his amendment.

Mr LEE Cheuk-yan's amendment proposes to establish a training contract system as an additional means of addressing the problem of high unemployment among young school-leavers. The Civic Party supports this amendment very strongly, and it also hopes that all young people can identify what their prospects are.

As for Mr Andrew LEUNG's amendment, the Civic Party does not have strong views on its proposal on providing employment assistance to young people. But we do have some reservations about the proposed changes to student loan schemes. My original intention is to make it possible for all young people to benefit from the relevant policies. But Mr LEUNG's amendment seeks to add the expression "with financial difficulties". This will lead to a question. What is meant by "with financial difficulties"? Does he mean that the Government should make extra efforts to verify whether a student is indeed "with financial difficulties"? Should we spend resources on doing something not necessary? We hold that all measures introduced at this very time should benefit all young people.

Mr WONG Kwok-hing proposes to raise the subsidy amount of the Continuing Education Fund from \$10,000 to \$30,000. The Civic Party has very great reservations about the implementation of this proposal at this stage. To

begin with, such an increase will impose a heavy burden on the Government immediately. As mentioned by Mr CHEUNG Man-kwong just now, if all are to apply for the full subsidy of \$30,000 I have also done some computations and found that \$37,500 will be required for each course. As mentioned just now, all Hong Kong people aged between 18 and 60 can apply for the subsidy, and we are also very concerned about course quality. Therefore, should the Government focus all its efforts and resources on those areas with urgent needs and use the funding only when there is a genuine need? We have heard some criticisms from time to time. We hope that the Government can first conduct a review, and we will consider the idea only after such a review.

President, many proposals are put forward to the Government in the five amendments. I very much hope that the Government can follow Members' example, continuing to pay close attention to young people's needs.

I so submit. Thank you, President.

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): President, once again, I wish to thank Miss Tanya CHAN for moving this motion, and Ms Starry LEE, Mr Andrew LEUNG, Mr WONG Sing-chi, Mr WONG Kwok-hing and Mr LEE Cheuk-yan for proposing their respective amendments to the motion. I also wish to thank the 16 Members who have spoken.

Regarding the proposals on suspending the collection of repayments from all borrowers of student loan schemes, removing the 1.5% risk rate and suspending the calculation of interests during borrowers' study programmes, I already explained in detail the principles and positions upheld by the Education Bureau when I spoke for the first time on this motion. I will not repeat the points here. I only wish to repeat my appeal that in case any student borrowers are unable to repay their loans for reasons of financial hardship, continuing education or sickness, they may apply to the Student Financial Assistance Agency (SFAA) for appropriate assistance. The SFAA will handle such applications with prudence and flexibility, and it may agree to allow the applicants to defer repayment or simply lower the quarterly repayment amounts on a temporary basis. The Education Bureau will also actively explore whether there are any more effective measures to reduce default repayments, with a view to creating conditions conducive to adjusting the risk coefficient. As for means-tested

student loans, interest accrual during applicants' study programmes is already waived.

Ms Starry LEE's amendment proposes to standardize the interest rate under the Non-means Tested Student Loan Scheme at 2.5%. This proposal will alter the "no-gain-no-loss" and "full-cost recovery" basis on which the loan scheme has been operating. As a matter of fact, the interest rate under the Non-means Tested Student Loan Scheme will be adjusted in response to the fluctuations of the prime rates offered by note-issuing banks. Since April 2006, the annual interest rate under the Non-means Tested Loan Scheme has been adjusted 10 times under the mechanism mentioned just now. We therefore think that sufficient flexibility is already built into the interest adjustment mechanism to reflect movements in market interest rates and to enable the scheme to continue to operate on a "no-gain-no-loss" and "full-cost recovery" basis.

Ms Starry LEE also proposes to change all means-tested loan schemes into non-means tested loan schemes. Before the 1997-1998 academic year, means-tested loans were interest-free. However, in response to a proposal made by the Legislative Council Public Accounts Committee in 1986 on charging interests for tertiary student loans to achieve better utilization of government resources, the Government subsequently conducted a study on the impacts of different interest levels and repayment periods on students. An annual interest rate of 2.5% was later set and implemented with effect from the 1997-1998 academic year.

The actual interest rates for means-tested loans depends on the durations of the relevant study programmes and repayment periods. Assuming that the duration of studies is three years, that the same amount of loan is granted in each of the three years, and that the repayment period lasts five years, the actual interest rate will be 1.4% per annum, which is a reasonable level. The Education Bureau therefore does not think that it is necessary to change means-tested loan schemes into interest-free loan schemes.

Mr WONG Sing-chi's amendment proposes to review the various post-secondary student financial assistance schemes. As far as my understanding goes, in recent years, the SFAA has been making continuous improvements to the various student financial assistance schemes. One example is the Phase 2 Review of the Post-secondary Education Sector completed by the

Education Bureau in April 2008. One of the recommendations is to provide students with means-tested loans to cover their living expenses under the Tertiary Student Finance Scheme, so as to help them meet their living expenses. It is also recommended to expand the scope of the scheme to cover students enrolled in locally-accredited full-time self-financing degree programmes and sub-degree graduates pursuing top-up degree programmes. The recommendations have been put in place since the commencement of the 2008-2009 academic year. This expanded student financial assistance scheme has so far benefited 8 000 post-secondary students.

The Education Bureau thinks that the various post-secondary student financial assistance schemes have been operating soundly on the whole, so it is not necessary to conduct any comprehensive review.

As for Members' other views on improving the various post-secondary student financial assistance and loan schemes, I will relay them to the Secretary for Education. I believe the Secretary for Education will continue to maintain communication with all concerned organizations and individuals.

Mr Andrew LEUNG's amendment proposes to step up the employment assistance for degree, sub-degree and secondary graduates. As far as my understanding goes, employment counselling and assistance services are already provided by most institutions offering degree and sub-degree programmes to help students find jobs. The Education Bureau has been communicating with the various tertiary institutions, encouraging them to step up the counselling services for students in the graduating years relating to further studies, internship and employment, with a view to assisting them in finding suitable jobs.

Mr WONG Sing-chi's amendment proposes to provide more employment assistance and internship posts for young people interested in information technology industries and cultural industries. The Office of the Government Chief Information Officer (the Office) attaches very great importance to the creation of employment opportunities in the information and communication technology sectors. It has been maintaining close contacts with the chambers of commerce and professional bodies of the two sectors. Whenever the sectors put forward any suggestions conducive to the creation of employment opportunities, the Office will do its utmost to provide all the necessary assistance. Early this year, the Office launched an information technology training programme to assist

small and medium enterprises in the application of information technology in their business, so that they can enhance their operational efficiency, competitiveness and capabilities in pursuing sustainable development. It is expected that 50 temporary posts can be created in the areas of information technology training and support.

Mr WONG Sing-chi's amendment also proposes to create posts of teaching assistants. The Education Bureau plans to create 103 such temporary posts in the 2008-2009 financial year. After the 2008-2009 financial year, the Bureau further plans to create 747 temporary posts — a figure very easy to remember. There will thus be 850 temporary posts in total. Most of these posts, such as those of temporary teachers and teaching assistants, are related to teaching. Students and young people with the required qualifications may apply for these posts. The Education Bureau also calls upon tertiary institutions to advance their recruitment exercises to fill vacant posts (including those of teaching assistants).

Ms Starry LEE's amendment proposes to introduce an attachment allowance scheme for tertiary graduates whereby the Government will offer allowances to Hong Kong and mainland enterprises which provide attachment places with a view to helping fresh graduates tackle employment difficulties. As I have mentioned, the Government is at present holding detailed negotiations with local chambers of commerce, the Hong Kong Chinese Enterprises Association and universities on all the technicalities and arrangements. It is hoped that an announcement can be made as soon as possible.

Mr WONG Kwok-hing's amendment is related to the Continuing Education Fund (CEF) and tertiary education. Regarding the CEF, I wish to point out that it was set up in 2002 with a funding of \$5 billion from the Government. Its aim is to encourage the local workforce to pursue continuing education. Upon the satisfactory completion of a course registered with the CEF, all Hong Kong residents aged between 18 and 65 may apply for an 80% reimbursement of the tuition fees, subject to a ceiling of \$10,000. Mr WONG proposes to raise the subsidy amount to \$30,000. However, since we are of the view that the present mode and level of subsidy have been proven effective over the years, we have no plans to make any changes at this stage.

Concerning the idea of expanding the scope of the CEF, the authorities already completed a review in the middle of 2007. A thorough study was

conducted, and it was concluded that any further expansion of the scope of the CEF must tie in with and support the development of the Qualifications Framework (QF). Following the implementation of the QF in May 2008, all new CEF courses must first undergo a formal accreditation exercise conducted by the Hong Kong Council for Accreditation of Academic and Vocational Qualifications (HKCAAVQ) and be registered under the Qualifications Register (QR) before an application can be filed for inclusion in the "Reimbursable Course List" of the CEF. New courses falling outside the eight specified domains of the CEF may also be considered for registration under the CEF if they are designed in accordance with the Specifications of Competency Standards drawn up by the respective Industry Training Advisory Committees and are registered under the QR.

CEF courses are subject to audit inspections by the HKCAAVQ, and the Office of CEF (OCEF) has been actively stepping up its monitoring of the operation of CEF courses. Apart from verifying attendance records, accreditation results and claims for reimbursement, the OCEF also conducts surprise inspections to ensure that courses are operated in full compliance with approval conditions. If a course provider is found to have breached any approval conditions, the OCEF will issue a warning to it. If the non-compliance is of a serious nature, or if the non-compliance persists, the authorities may consider the removal of the course concerned from the "Reimbursable Course List" of the CEF.

Mr WONG's amendment also contains a proposal on increasing the subsidized places for diploma, higher diploma, bachelor degree and master degree programmes of various institutions. Past experience tells us that many students in graduating years will make use of the opportunity to further their studies and better equip themselves. The Education Bureau has called upon various institutions to provide more suitable courses geared to the needs of these students. We are pleased to note that many institutions have responded positively to our appeal.

Mr LEE Cheuk-yan proposes to enable young school-leavers to have training opportunities. In regard to "non-engaged youths", the Employees Retraining Board, in collaboration with the Vocational Training Council (VTC), already launched the Youth Training Programme (YTP) in September 2008. The YTP is based on the three pilot schemes operated by the Employees Retraining Board, namely, the Teen's Programmes, the Modern Apprenticeship

Programme and the Ethnic Minority Project, which provide non-engaged youths aged between 15 to 20 with a series of courses recognized under the QF. Apart from providing training on vocational and basic skills, these courses also aim to upgrade the personal quality of trainees by nurturing a positive outlook on life, self-confidence, self-discipline and a desire for excellence among young people. Upon course completion, student counselling officers will make referrals on further studies and employment for trainees according to their needs. Follow-up and job assistance services will be provided for six to nine months, with a view to assisting trainees in adapting to the changes after taking up employment and meeting the requirements concerned.

As I have explained in detail, the Youth Work Experience and Training Scheme (YWETS) operated by the Labour Department provides employment opportunities to young people aged between 15 and 24 with educational attainment at sub-degree level or below. With on-the-job training lasting six to 12 months, young people's work skills and employability are both enhanced. Besides, case managers, who are registered social workers, are assigned to provide trainees with personalized career counselling and support services. Trainees are also assisted in formulating their training and employment plans on the basis of their career aspirations and needs. The YWETS also actively launches industry-based employment projects to enable trainees to integrate on-the-job training and classroom training. The main projects include the well-known IT Seeds Project, the Airport Ambassadors Programme and the Tradesman Trainees Project.

President, globalization and the financial tsunami have come to impact the different strata and age groups of the workforce. While young people must face up to the challenges posed by their competitors from other economies, they must at the same time continuously enhance their own abilities and add to their own values before they can cope with the changes resulting from social and economic progress. In addition, broader horizons, a proper attitude (which is especially important), a positive outlook on life, mature communication skills and work enthusiasm are also the indispensable qualities demanded of young people in the competition they face in the new century.

Meanwhile, the Government will strive to provide suitable educational, training and retraining programmes that can meet the needs of the times, so as to equip our young people and turn them into talents possessing multiple skills and self-learning abilities. We will continue to do our utmost to provide job seekers,

including young people, with job matching services and intern opportunities. We understand that in the face of the financial tsunami, it is not easy for young people to secure any employment. But we must advise young people that they must not despair. Rather, they must take the opportunity to equip themselves. As long as they can work hard, they will find that lots of opportunities are waiting for them in society. "Opportunities fall only on those who are prepared", as the saying goes.

President, I so submit.

PRESIDENT (in Cantonese): I now call upon Ms Starry LEE to move her amendment to the motion.

MS STARRY LEE (in Cantonese): President, I move that Miss Tanya CHAN's motion be amended.

Ms Starry LEE moved the following amendment: (Translation)

"To delete "being" after "That," and substitute with "as the global economy slows down, and Hong Kong is"; to delete "Hong Kong's economy will most probably slacken off substantially and" after "financial tsunami,"; to delete "removing" after "(a)" and substitute with "standardizing"; to delete "1.5% risk rate" after "the existing" and substitute with "interest rate"; to delete "and" after " 'Non-means Tested Loan Scheme' " and substitute with "at a flat rate of 2.5%,"; to add "and secured employment, as well as changing the means-tested loans to interest-free loans" after "programme"; and to add ", introducing an attachment allowance scheme for tertiary graduates whereby the Government will offer allowances to Hong Kong and Mainland enterprises which provide attachment places with a view to helping fresh graduates tackle employment difficulties," after "young people's needs"."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Ms Starry LEE to Miss Tanya CHAN'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): Members have been informed that Mr Andrew LEUNG will withdraw his amendment if Ms Starry LEE's amendment is passed. As this is the case now, Mr Andrew LEUNG has therefore withdrawn his amendment.

PRESIDENT (in Cantonese): Mr WONG Sing-chi, as Ms Starry LEE'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 may speak 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 WONG SING-CHI (in Cantonese): President, I move that Miss Tanya CHAN's motion, as amended by Ms Starry LEE, be further amended by my revised amendment.

President, the main difference between Ms Starry LEE's amendment and mine is that she proposed in the first item of her amendment to standardize the interest rate of the "Non-means Tested Loan Scheme" at a flat rate of 2.5%. To

my understanding, students can benefit more from this approach than the one proposed by me earlier, therefore I amended this motion. Thank you, President.

Mr WONG Sing-chi moved the following further amendment to the motion as amended by Ms Starry LEE: (Translation)

"To add "; (g) reviewing various financial assistance schemes for post-secondary students, relaxing the eligibility criteria, and raising the amount of grants and loans, so as to alleviate the financial burden on tertiary students; and (h) considering giving tertiary graduates more flexibility in repayment, including repaying a smaller amount during the first three years after graduation" immediately before the full stop."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That Mr WONG Sing-chi's amendment to Miss Tanya CHAN's motion as amended by Ms Starry LEE 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 WONG Kwok-hing, as the amendments by Ms Starry LEE and Mr WONG Sing-chi 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 may speak 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 WONG KWOK-HING (in Cantonese): President, I move that Miss Tanya CHAN's motion as amended by Ms Starry LEE and Mr WONG Sing-chi be further amended by my revised amendment.

As I have made myself very clear in my speech, I do not have anything to add.

Mr WONG Kwok-hing's further amendment to the motion as amended by Ms Starry LEE and Mr WONG Sing-chi: (Translation)

"To add "; (i) raising the subsidy amount of the Continuing Education Fund to \$30,000 to alleviate the financial pressure from further studies on young people and, at the same time, widening the coverage of subsidy and stepping up monitoring of course operations; and (j) increasing the subsidized places for diploma, higher diploma, bachelor degree and master degree programmes, etc of various institutions, so that more young people are able to have the opportunity to receive tertiary education, thereby enhancing their competitiveness" immediately before the full stop."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That Mr WONG Kwok-hing's amendment to Miss Tanya CHAN's motion as amended by Ms Starry LEE and Mr WONG Sing-chi be passed.

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

(Members raised their hands)

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

(Members raised their hands)

Mr WONG Sing-chi rose to claim a division.

PRESIDENT (in Cantonese): Mr WONG Sing-chi has claimed a division. The division bell will ring for three minutes.

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 Joseph LEE, Mr CHEUNG Kwok-che and Dr PAN Pey-chyou voted for the amendment.

Dr Margaret NG and Mr CHEUNG Man-kwong voted against the amendment.

Ms Miriam LAU, Mr Jeffrey LAM, Mr Andrew LEUNG and Dr Samson TAM abstained.

Geographical Constituencies:

Mr LEE Cheuk-yan, Mr LEUNG Yiu-chung, Mr Frederick FUNG, Mr WONG Kwok-hing, Mr CHEUNG Hok-ming, Ms Cyd HO, Ms Starry LEE and Mr CHAN Hak-kan voted for the amendment.

Mr Albert HO, Mr Fred LI, Mr James TO, Ms Emily LAU, Ms Audrey EU, Mr LEE Wing-tat, Mr Alan LEONG, Mr LEUNG Kwok-hung, Mr Ronny TONG, Mr KAM Nai-wai, Miss Tanya CHAN and Mr WONG Sing-chi voted against the amendment.

THE PRESIDENT, Mr Jasper TSANG, did not cast any vote.

THE PRESIDENT announced that among the Members returned by functional constituencies, 10 were present, four were in favour of the amendment, two against it and four abstained; while among the Members returned by geographical constituencies through direct elections, 21 were present, eight were in favour of the amendment and 12 against it. Since the question was not agreed by a majority of each of the two groups of Members present, he therefore declared that the amendment was negatived.

PRESIDENT (in Cantonese): Mr LEE Cheuk-yan, as the amendments by Ms Starry LEE and Mr WONG Sing-chi 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 may speak 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 LEE CHEUK-YAN (in Cantonese): President, I move that Miss Tanya CHAN's motion as amended by Ms Starry LEE and Mr WONG Sing-chi be further amended by my revised amendment.

President, actually my amendment only seeks to include the establishment of a training contract system for young people, which I have all long been advocating. As the concept of a training contract system advocated by me can really enable young people to secure employment and contains an element of skills training, and is thus totally different from the existing training programme of the Vocational Training Council mentioned by the Secretary in his response, I hope Members can support my amendment. Thank you, President.

Mr LEE Cheuk-yan's further amendment to the motion as amended by Ms Starry LEE and Mr WONG Sing-chi: (Translation)

"To add "; and (i) establishing a training contract system to enable young school leavers to have training opportunities and working experience" immediately before the full stop."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That Mr LEE Cheuk-yan's amendment to Miss Tanya CHAN's motion as amended by Ms Starry LEE and Mr WONG Sing-chi 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 Tanya CHAN, you may now reply but you have only 32 seconds.*(Laughter)* This debate will come to a close after Miss Tanya CHAN has replied.

MISS TANYA CHAN (in Cantonese): President, Mr LEE Cheuk-yan was speaking very fast just now. Perhaps I should speak as far as he did, but I am not going to do so.

Actually, the Secretary already conveyed a message to young people just now, that it would not be an easy task to fight for anything. As the Government has no plan yet to give them support, it is all the more necessary for young people to equip themselves to cope with the once-in-a-century financial turmoil with all the people of Hong Kong. I hope everyone can adjust their mentality. We can definitely tide over this crisis. Thank you, President.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the motion moved by Miss Tanya CHAN, as amended by Ms Starry LEE, Mr WONG Sing-Chi and Mr LEE Cheuk-yan, be passed.

PRESIDENT (in Cantonese): 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)

Miss Tanya CHAN rose to claim a division.

PRESIDENT (in Cantonese): Miss Tanya CHAN has claimed a division. The division bell will ring for three minutes.

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 Margaret NG, Mr CHEUNG Man-kwong, Ms Miriam LAU, Dr Joseph LEE, Mr Jeffrey LAM, Mr Andrew LEUNG, Mr CHEUNG Kwok-che, Dr PAN Pey-chyou and Dr Samson TAM voted for the amended motion.

Geographical Constituencies:

Mr Albert HO, Mr LEE Cheuk-yan, Mr Fred LI, Mr James TO, Mr LEUNG Yiu-chung, Ms Emily LAU, Mr Frederick FUNG, Ms Audrey EU, Mr WONG Kwok-hing, Mr LEE Wing-tat, Mr Alan LEONG, Mr LEUNG Kwok-hung, Mr CHEUNG Hok-ming, Mr Ronny TONG, Mr KAM Nai-wai, Ms Cyd HO, Ms Starry LEE, Mr CHAN Hak-kan, Miss Tanya CHAN and Mr WONG Sing-chi voted for the amended motion.

Mrs Regina IP voted against the amended motion.

THE PRESIDENT, Mr Jasper TSANG, did not cast any vote.

THE PRESIDENT announced that among the Members returned by functional constituencies, 10 were present and 10 were in favour of the motion as amended; while among the Members returned by geographical constituencies through direct elections, 22 were present, 20 were in favour of the motion as amended and one against it. Since the question was agreed by a majority of each of the two groups of Members present, he therefore declared that the motion as amended was passed.

NEXT MEETING

PRESIDENT (in Cantonese): I now adjourn the Council until 11 am on Wednesday, 25 February 2009.

Adjourned accordingly at seven minutes past Eight o'clock.

Appendix 1**REQUEST FOR POST-MEETING AMENDMENTS**

The Secretary for the Civil Service requested the following post-meeting amendment

Line 3, first paragraph, page 84 of the Confirmed version

To amend "The present removal punishments involving the forfeiture and reduction of pension is not applicable to pensionable civil servants" as "The present removal punishments involving the forfeiture and reduction of pension applicable to pensionable civil servants" (Translation)

(Please refer to line 15 to 16, second paragraph, page 4756 of this Translated version)

Line 2 to 3, sixth paragraph, page 84 of the Confirmed version

To amend "..... so that former CSPF members of the disciplined services with retirement benefits are covered as" as "..... so that former CSPF civil servants of the disciplined services with retirement benefits are covered as" (Translation)

(Please refer to line 2 to 3, fifth paragraph, page 4757 of this Translated version)