

OFFICIAL RECORD OF PROCEEDINGS

Wednesday, 1 April 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

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 ANDREW CHENG KAR-FOO

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

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

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

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

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

THE HONOURABLE ALBERT CHAN WAI-YIP

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

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

THE HONOURABLE VINCENT FANG KANG, 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 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:

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

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

PUBLIC OFFICERS ATTENDING:

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

THE CHIEF SECRETARY FOR ADMINISTRATION

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

THE FINANCIAL SECRETARY

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

THE SECRETARY FOR JUSTICE

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

DR KITTY POON KIT, J.P.
SECRETARY FOR THE ENVIRONMENT

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

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

CLERKS IN ATTENDANCE:

MS PAULINE NG MAN-WAH, SECRETARY GENERAL

MRS VIVIAN KAM NG LAI-MAN, ASSISTANT SECRETARY GENERAL

MRS JUSTINA LAM CHENG BO-LING, ASSISTANT SECRETARY
GENERAL

TABLING OF PAPERS

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

Subsidiary Legislation/Instruments	<i>L.N. No.</i>
Building (Minor Works) Regulation.....	51/2009
Addiction Treatment Centre (Consolidation) (Amendment) Order 2009	52/2009
Detention Centre (Consolidation) (Amendment) Order 2009	53/2009
Prisons (Amendment) Order 2009	54/2009
Rehabilitation Centres (Appointment) (Amendment) Order 2009	55/2009
Training Centre (Consolidation) (Amendment) Declaration 2009	56/2009
Education Ordinance (Amendment of Schedule 3) Notice 2009	57/2009

Other Papers

- No. 77 — The Financial Reporting Council Annual Report 2008
- No. 78 — Audited Statement of Accounts together with the Director of Audit's Report of the Hong Kong Rotary Club Students' Loan Fund for the year ended 31 August 2008
- No. 79 — Audited Statement of Accounts together with the Director of Audit's Report of the Sing Tao Foundation Students' Loan Fund for the year ended 31 August 2008

WRITTEN ANSWERS TO QUESTIONS**Medicine Incidents**

1. **DR PAN PEY-CHYOU** (in Chinese): *President, in connection with the recent spate of medicine incidents, resulting in the Hospital Authority (HA) having to arrange for cessation of use and replacement of the questionable medicines concerned, will the Government inform this Council:*

- (a) *whether it will consider amending the content of Good Manufacturing Practices (GMP) to require that each batch of oral medicine must be tested and proved to be free from bacteria or other contaminants before it leaves the factory;*
- (b) *whether it knows the amount of expenditure incurred by HA on the cessation of use and replacement of such questionable medicines, and whether it will claim compensation from the pharmaceutical manufacturers concerned;*
- (c) *whether it knows if HA chose to use the medicines of such pharmaceutical manufacturers because the selling prices were the lowest, and whether HA had looked into the reasons for the low selling prices for medicines before making the decision to use them; and*
- (d) *given the spate of medicine incidents involving pharmaceutical manufacturers with GMP certification, whether the Government has assessed if there is any negligence or dereliction of duty on the part of the staff responsible for regulating medicines?*

SECRETARY FOR FOOD AND HEALTH (in Chinese): *President, starting from 2002, all local pharmaceutical manufacturers have to comply with the GMP set by the Pharmacy and Poisons Board. Our replies to the four parts of the question are as follows:*

- (a) *While injections are applied directly to the body, oral medicines get into the body through gastrointestinal absorption. As such, the international standards on drugs (such as those adopted in the United*

Kingdom, the European Union, the United States and the Mainland) require that injections must not contain any bacteria. There are no such requirements for oral medicines. However, these countries have set standards for the quantity of bacteria and fungi in oral medicines.

We will review the existing GMP and introduce risk assessment principles and microbiology testing so as to reduce the risk of microbial contamination of drugs.

- (b) In the light of the recent drug incidents, the HA has stopped prescribing the affected allopurinol and metformin and arranged replacement of allopurinol and metformin by other brands for the affected HA patients. The relevant expenses are about HK\$0.63 million. Besides, as the HA has stopped prescribing the other pharmaceutical products produced by Europharm, it needs to procure alternative drugs from other sources to maintain normal service. The additional costs incurred by the HA on drugs in the first month are estimated to be about HK\$8 million. The total additional costs involved as a result of the incident are not yet available. As for compensation claims, the HA is now in the process of seeking legal advice.
- (c) In compliance with the standards and procedures required by the World Trade Organization, the HA procures drug items of high volume or high value with market alternatives through open tenders. It will consider the bidding price only after it is satisfied that the tenders comply with all the established standards on quality and safety. Taking the problematic batch of the "100 mg allopurinol" as example, the bid submitted by the drug manufacturer concerned was not the lowest.
- (d) The most important task ahead is to restore public confidence in the supply and regulatory system of pharmaceutical products. In light of the problems reflected in the recent incidents, the Food and Health Bureau, the Department of Health (DH) and HA will take comprehensive measures to improve the system.

In the short term, the DH will carry out inspection of all 25 local drug manufacturers and the inspections will be prioritized based on risk assessment. The first group of manufacturers to be inspected are the Sister companies of the manufacturers involved in the recent drug incidents. The DH has also written to the trade, including manufacturers, importers and agents to ensure that they understand their responsibilities, including the compliance with the requirements of the law.

Apart from reviewing its drug procurement system, the HA will also carry out a comprehensive inspection on all existing drugs in HA hospitals and clinics to ensure their compliance with the regulations. In addition, the HA will strengthen its monitoring and control mechanism and instruct its staff at various levels to increase vigilance on expired drugs so as to ensure drug safety. The HA will also implement seven new initiatives to strengthen the procurement and management of pharmaceutical products in the public hospitals.

In addition, we have set up a review committee to formulate medium to long term measures. The committee is chaired by the Permanent Secretary for Food and Health (Health), and comprises members from the pharmaceutical sector, medical profession, academia, patient groups and consumer representatives, among others. The review committee will conduct a comprehensive review on all the issues relating to the regulation and control of pharmaceutical products including safety and quality assurance of drugs, standard and practices of the pharmaceutical industry, and whether there is a need for legislative amendments.

To support the work of the review committee, the Director of Health has set up a task force to comprehensively review the existing control of the drug supply chain, including manufacturers, importers, wholesalers and retailers, as well as the control of drugs. An Expert Group on Microbiological Hazards on Drug Manufacturing will also make proposals to the task force. Their recommendations will be put to the review committee for deliberation. The DH will also enlist the assistance of reputable overseas experts. The views from the stakeholders will be sought and duly taken into account in the course of the review.

The first meeting of the review committee will be held in early April. It is expected that the review will take six to nine months' time.

Work-related Injuries and Occupational Diseases of Massage and Acupressure Practitioners

2. **MR IP WAI-MING** (in Chinese): *President, regarding work-related injuries and occupational diseases of massage and acupressure practitioners, will the Government inform this Council:*

- (a) *whether it knows the number of cases of massage and acupressure practitioners seeking medical consultation in public hospitals due to work-related injuries in each of the past three years (with a breakdown by the type of work-related injury) and, among them, the number of cases of those who sought medical consultation being diagnosed to be suffering from musculoskeletal disorders or repetitive strain injury caused by work;*
- (b) *of the number of cases of claims relating to work-related injuries or occupational diseases being filed by employees who are engaged in massage and acupressure work with the Employees' Compensation Division of the Labour Department in each of the past three years, the types of work-related injuries or occupational diseases involved and, among them, the number of cases involving musculoskeletal disorders or repetitive strain injury caused by work; and*
- (c) *of the number of cases of employees suffering from musculoskeletal disorders or repetitive strain injury owing to massage and acupressure work seeking medical consultation from the Occupational Health Clinics of the Labour Department in each of the past three years (with a breakdown by the gender and the age group to which they belonged) and, among them, the number of cases in which the people who sought medical consultation were diagnosed to be suffering from the occupational diseases defined in the Employees' Compensation Ordinance (Cap. 282)?*

SECRETARY FOR LABOUR AND WELFARE (in Chinese): President, my reply to the Mr IP Wai-ming's question is as follows:

- (a) The Hospital Authority does not have work-related injury statistics on workers in the massage and acupuncture industry alone.
- (b) The Labour Department adopts the broad industrial codes under the Hong Kong Standard Industrial Classification published by the Census and Statistics Department in the compilation of statistics on occupational injuries and occupational diseases⁽¹⁾ rather than classifies data by individual industry. Therefore, we do not have statistics on occupational injuries and occupational diseases specifically for the massage and acupuncture industry.

According to the Hong Kong Standard Industrial Classification, the massage and acupuncture industry is classified under the group of "Miscellaneous Personal Services"⁽²⁾. The numbers of occupational injury and occupational disease cases in "Miscellaneous Personal Services" in 2006, 2007 and 2008 (up to the third quarter) were 298, 243 and 195 respectively.

- (c) The two occupational health clinics of the Labour Department provide medical treatment and occupational health counselling services for workers suspected to have work-related diseases. The clinics also adopt the broad industrial codes under the Hong Kong Standard Industrial Classification to classify the industry in which patients work. Among the new cases seeking consultation in the clinics in 2006, 2007 and 2008, a total of 61, 83 and 52 patients respectively working in "Miscellaneous Personal Services" were diagnosed to have musculoskeletal disorders. Of these, one patient was confirmed to have tenosynovitis of the hand or forearm, but this patient did not work in the massage and acupuncture industry.

Notes:

⁽¹⁾ Occupational injuries (including industrial accidents) are injury cases arising from work accidents, resulting in death or incapacity for work of over three days, and reported under the Employees' Compensation Ordinance. Occupational diseases are the confirmed occupational diseases reported under the Employees' Compensation Ordinance, the Occupational Deafness (Compensation) Ordinance and the Pneumoconiosis and Mesothelioma (Compensation) Ordinance.

⁽²⁾ "Miscellaneous Personal Services" includes industry of services such as barber, beauty, photo-printing and finishing, bath, massage, acupuncture, and funeral.

In fact, workers in "Miscellaneous Personal Services" seek consultation at the clinics mainly because of pain over the back, neck and shoulders and upper limbs, as well as degenerative problems such as osteoarthritis of knees. These pain and degenerative problems are caused by the interplay of many factors, for example, obesity, lack of exercise, excessive force, awkward posture, and static posture such as prolonged standing and sitting. Since these are common problems among the general public and are not limited to employees of specific sectors, they do not satisfy the definition of occupational diseases.

Mr TSANG Tsou-choi's Valued Pieces of Calligraphy

3. **MR ALAN LEONG** (in Chinese): *President, it has been reported that the valued pieces of calligraphy painted at various places in Kowloon by the late Mr TSANG Tsou-choi, who is known as "the King of Kowloon", have become part of the collective memory of the people of Hong Kong, and hence have considerable conservation value. However, some residents of Kowloon East recently found that some of those valued pieces of calligraphy in Kai Yip Estate, Kowloon Bay, Tsui Ping Estate and Yue Man Square in Kwun Tong have been damaged, while exposure to wind and rain has faded some others. In this connection, will the Government inform this Council:*

- (a) *whether the authorities have adopted specific conservation measures to preserve the valued pieces of calligraphy of Mr TSANG; if so, of the details of the measures; if not, the reasons for that; and*
- (b) *given that a valued piece of calligraphy of Mr TSANG on a concrete pillar opposite the Star Ferry Pier in Tsim Sha Tsui has become a distinctive tourist attraction after the authorities have encased it using a fibreglass panel and fixed a metal plaque on the ground to provide explanation, whether the authorities will make reference and properly conserve the valued pieces of calligraphy of Mr TSANG Tsou-choi in other places in this way; if not, of the reasons for that?*

SECRETARY FOR HOME AFFAIRS (in Chinese): President,

- (a) Regarding Mr TSANG Tsou-choi's works left in public places, we take different measures to protect them depending on the actual situation and feasibility. Owing to prolonged exposure to wind and rain, those works on traffic control boxes and walls have faded and can hardly be identified. These works have also peeled off together with the paint of the traffic control boxes and walls. Since they are in a poor condition, it is considered inappropriate to apply protective coating to the works or to cover them with acrylic sheets. Instead, we have documented these works by making photographic records.

As for TSANG's work on the concrete pillar at the Star Ferry Pier in Tsim Sha Tsui, since both the work and the pillar are in comparatively good condition, we have applied transparent protective coating to it and mounted a strong and durable transparent polyester film on the surface for protection. Another piece of TSANG's work which is in good condition is the one on a lamp post at Kwun Tong Road (near Ping Shek Estate). It has already been covered with protective acrylic sheets. The condition of these two works is regularly checked by the Leisure and Cultural Services Department.

- (b) We have carefully examined the feasibility of preserving TSANG's works in public places by means of applying transparent protective coating and covering them with transparent protective acrylic sheets. It is found that most of his works on walls have peeled off together with the emulsion paint of the walls after years of exposure to wind and rain. For those works on the metal surfaces of the traffic control boxes and lamp posts, it is also not appropriate to apply protective coating to them as it will lead to oxidation. Therefore, the protective measures adopted in the case of the pillar at the Star Ferry Pier in Tsim Sha Tsui are not considered appropriate for TSANG's works found in other places.

Appointing District Council Members to Advisory and Statutory Bodies

4. **MR IP KWOK-HIM** (in Chinese): *President, members of District Councils (DCs) are representatives of public opinions at district level. Through contacts with residents of the districts to which they belong, DC members understand and gauge public views on the governance of the Government, and reflecting public opinions is the focus of their work. In this connection, will the Government inform this Council:*

- (a) *of the current number of DC members who are members of advisory and statutory bodies (ASBs); and*
- (b) *whether it has any plan to appoint all DC members as members of ASBs; if it has, of the details; if not, the reasons for that?*

SECRETARY FOR HOME AFFAIRS (in Chinese): President,

- (a) As at 28 February 2009, 479 of the 532 serving DC members were appointed to district-based advisory committees (including 63 Area Committees, 18 District Fight Crime Committees and 18 District Fire Safety Committees). In addition, 180 DC members also served as members of 123 ASBs.
- (b) In making appointments to ASBs, the Government aims to secure the services of the most suitable persons to meet the requirements of the board or committee concerned. Each appointment is made on the basis of the merit of the individual concerned, taking into account the candidate's ability, expertise, experience, integrity and commitment to public service, and having regard to the functions and nature of business of the board or committee concerned and statutory requirements (for statutory bodies) to ensure that the composition of ASBs should broadly reflect the interests and views of the community. It is our policy to appoint more persons with experience and interest in community affairs, including DC members, to committees dealing with livelihood matters.

The personal particulars of DC members are kept in the Central Personality Index and would be made available to relevant

bureaux/departments upon request where appropriate to facilitate consideration of appointments to boards and committees.

Discrepancies Between Existing Land Use and Planning Intention

5. **MISS TANYA CHAN** (in Chinese): *President, at its meeting on 13 February 2009, the Metro Planning Committee (Committee) under the Town Planning Board (TPB) approved an application filed by the owner of QRE Plaza, which is located at No. 196-206 Queen's Road East, Wan Chai, to rezone the site on the relevant Outline Zoning Plan (OZP) where the aforesaid property is located from open space to commercial use, so as to reflect the existing use of that site. In this connection, will the Government inform this Council:*

- (a) *whether it has assessed if the Committee's consent to the amendment to the planned use based on the existing use of the site is an isolated case or implies that the Committee has already changed the criteria it adopts for vetting and approving amendments to the planned use of sites;*
- (b) *of the current number of sites in Hong Kong the existing use of which is not consistent with the planned use as set out in the relevant OZP, as well as the relevant details; and*
- (c) *whether it will consider requesting the owners of the sites mentioned in (b) to apply to the Committee for amendment to the planned use of the sites concerned in accordance with the existing use, and whether the Government will review all the OZPs of Hong Kong after the amendments concerned are made; if so, of the details; if not, how the Government will deal with the problem of discrepancies between existing land use and planned land use?*

SECRETARY FOR DEVELOPMENT (in Chinese): President, in accordance with the Town Planning Ordinance (the Ordinance), OZPs are prepared to specify the planning intentions of various land use zones and for the exercise of development control through stipulating the permitted land uses and incorporating development parameters of certain sites. It is currently stipulated on OZPs that any new development or any material change of use of the existing

buildings on any land must comply with the requirements of OZPs or prior permission of the TPB shall be obtained under section 16 of the Ordinance.

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

- (a) The Planning Department will, from time to time, review the broad land use framework of various OZPs to take into account the latest developments and changes in planning circumstances of the area. Consideration will therefore be also given to reflect on the OZPs any development completed in accordance with the planning permission granted under section 16 of the Ordinance. If the relevant land use zoning is no longer consistent with the existing use, the Planning Department will, depending on the circumstances, propose suitable zoning amendments to the OZP.

As far as the land use planning of QRE Plaza (the application site) is concerned, planning permission (under Application No. A/H5/64P) for a proposed office building was granted by TPB back in 1981 when the application site was zoned "Residential (Group A)" on the then Wan Chai OZP. In 1994, the site was rezoned "Open Space". In 2004, the landowner decided to proceed with the approved office building development and the building was completed in November 2007. The recent approval of the rezoning application concerning QRE Plaza aims merely to reflect the completed development for which planning permission had been granted. This is not a special case and is in line with TPB's established practice.

- (b) There are no available statistics on the number of sites where the development completed in accordance with planning permission granted under section 16 was inconsistent with the planned use of the site.
- (c) As mentioned in the reply to part (a) above, the broad land use framework of various OZPs will be reviewed from time to time to take into account the latest developments and changes in planning circumstances of the area, including the consideration to reflect on the OZPs any completed developments for which planning permission had been granted under section 16 of the Ordinance. Whether and when a zoning amendment would be made depend on the specific circumstances of each case.

Influenza Vaccination Subsidy Scheme

6. **MR ABRAHAM SHEK** (in Chinese): *President, the Department of Health (DH) introduced the Influenza Vaccination Subsidy Scheme (IVSS) in November last year. It has been reported that up to the end of January this year, a total of 85 000 children had received influenza vaccinations, accounting for only 28% of the 300 000 eligible children. Moreover, a survey revealed that 41% of the parents interviewed did not know how to use the services under IVSS, 30% considered it unnecessary for their children to get vaccinated, and quite a number of parents did not let their children receive vaccination because they were concerned about the side effects of the vaccine. In this connection, will the Government inform this Council whether it will continue to implement IVSS which ended on 31 March this year, given that the Secretary for Food and Health has pointed out that the influenza seasons are January to April and July to August this year, and that the coverage of IVSS is on the low side; if it will not, of the reasons for that; if it will, the details of that, and whether it will consider providing free vaccinations in public hospitals or public out-patient clinics, or sending personnel to schools to administer free vaccinations to children; if it will, of the details; if not, the reasons for that?*

SECRETARY FOR FOOD AND HEALTH (in Chinese): *President, the DH introduced the IVSS in November 2008 to provide subsidy to encourage young children to receive influenza vaccinations from private doctors. As at 23 March 2009, applications for subsidy for over 140 000 injections of influenza vaccine, which include the first and second injections, have been received. According to the statistical information, over 80 000 children have received subsidized influenza vaccinations among the 140 000 applications. In other words, the coverage rate of IVSS has exceeded 26%. The Scheme lasted till end of March and the final coverage rate will be released after compilation. According to the experience of western countries, the coverage rate of influenza vaccination for children normally ranges between 20% and 40%.*

Hong Kong's winter influenza peak season usually falls between January and March and the number of influenza cases has started to drop since mid-March this year. The vaccinations provided under IVSS are mainly for the winter influenza peak season. As it takes about two weeks for the immunity to develop after vaccination, DH launched the IVSS in November last year and encouraged vaccination before the winter influenza peak season. This served to ensure

adequate immunity against influenza infection during the winter influenza peak season. Children who have never received a two-dose regimen of influenza vaccine are recommended to have two doses of influenza vaccine with a minimum interval of four weeks. The provision of subsidy for the first dose of influenza vaccine under IVSS will end on 31 March this year. For children who have received the first dose of influenza vaccine on or before 31 March, the Government will provide subsidy for the second dose of influenza vaccine until 31 May. The IVSS will become a long-term measure in an effort to lower the rate of hospitalization of children as a result of influenza infection.

The objective of IVSS is to provide partial subsidy to the general public under a new funding model with a view to allow them to choose their own private health care service providers under the concept of "money follows patient". In addition, the Scheme is a co-operative arrangement between the Government and private doctors, thereby promoting the participation of private doctors in the provision of preventive health care and is in line with the Government's policy direction of establishing a family doctor system. At present, over 1 200 doctors have enrolled in the IVSS to provide influenza vaccination service to young children in a total of some 1 500 clinics located across the territory. Under the policy direction of promoting public-private partnership, IVSS's operation is satisfactory and provides convenient choices of service for parents. As regards public hospitals or public out-patient clinics, the Government Influenza Vaccination Programme currently provides free vaccination to eight target groups including children between the age of six months and less than six years from families receiving Comprehensive Social Security Assistance.

Provision of Subsidized Care and Attention Places for Elderly

7. **MR LEUNG KWOK-HUNG** (in Chinese): *President, I often receive complaints from elderly people and organizations pointing out that the current acute shortfall in the supply of subsidized care and attention places for the elderly (C&A places) has resulted in rather long waiting time for such places. On the other hand, as the quality of the services provided by private residential care homes for the elderly (RCHEs) varied, they are not well received by the elderly people and hence the occupancy rates of such RCHEs are persistently on the low side. Those elderly people and organizations have also pointed out that*

the Government's faulty planning policy on care services of RCHEs has led to "collusion between business and the Government" and "transfer of benefits". In this connection, will the Government inform this Council:

- (a) of the respective average waiting time of elderly people currently living in the community and private RCHEs for subsidized C&A places, broken down by District Council districts (excluding cases of elderly people waiting for admission to homes of their choice and cases of those being given priority allocation on grounds of special circumstances);*
- (b) of the current respective numbers of elderly people who choose to wait for admission to the Chi Lin Nunnery Chi Lin Care and Attention Home in Wong Tai Sin, the Hong Kong Chinese Women's Club Madam Wong Chan Sook Ying Memorial Care and Attention Home for the Aged in Kwun Tong and the Hong Kong Sheng Kung Hui Li Ka Shing Care and Attention Home for the Elderly in Sham Shui Po (excluding elderly people who are given priority allocation on grounds of special circumstances), and the average waiting time for admission to each of the RCHEs;*
- (c) of the respective numbers of elderly people in each of the past five years who died while waiting for the Enhanced Bought Place Scheme (EBPS) places and other subsidized C&A places;*
- (d) among the 650 additional subsidized residential care places to be provided in the current financial year, of the respective numbers of those to be provided by non-governmental organizations (NGOs) as well as EBPS places, and whether the Labour and Welfare Bureau, the Social Welfare Department (SWD) and the Elderly Commission (EC), especially EC members who are operating private RCHEs, have jointly planned for the number of places to be allocated to these two types of homes;*
- (e) whether the Government will immediately redirect the additional funding to be allocated to EBPS to C&A places provided by subvented and contract RCHEs so as to shorten the waiting time for these places; if so, when it will implement this arrangement; if not,*

of the reasons for that, and whether it has assessed if the provision of additional resources to EBPS every year involves "collusion between business and the Government" and "transfer of benefits"; if so, of the assessment results; and

- (f) *whether the Government will consider granting sites in the next three years for constructing detached buildings to be used by NGOs for operating subsidized RCHEs; and whether it will consider allocating funds to fully subsidize RCHEs currently located in detached buildings to build additional storeys so as to optimize the use of land, increase the number of subsidized C&A places and create employment opportunities; if it will grant such sites and funding, when it will implement the plans concerned; if not, of the reasons for that?*

SECRETARY FOR LABOUR AND WELFARE (in Chinese): President, promoting "ageing in the community" is one of the underlying principles of the Government's elderly policy. Hence, the Government has allocated considerable resources to support elders to age in the community. It is worth noting that not all elders with long-term care (LTC) needs have to stay in residential care homes, and not all elders with LTC needs require subsidized residential care services. With adequate community care and support, elders with LTC needs can continue to age at home as they wish.

My reply to the question is as follows:

- (a) At present, all applications for subsidized residential care services are managed under the Central Waiting List for Subsidized Long Term Care Services on a territory-wide basis. There is no separate waiting list for individual districts and therefore the SWD cannot provide a breakdown of the waiting time by districts. Since the accommodation status of elders while waiting does not affect their waiting time, SWD does not separately compute the waiting time for elders living in the community or private RCHEs.

As at end February 2009, excluding cases where elders have specific requirements on the RCHEs they are waiting for, that is, those who have requested to be admitted to specific RCHEs, or RCHEs in

designated locations, as well as the priority cases, the shortest waiting time for subsidized C&A places was one month while the average was 12 months.

- (b) As at end February 2009, among the applicants waiting for subsidized C&A places, there were 416, 163 and 524 elders specifically requested to be admitted to the Chi Lin Nunnery Chi Lin Care and Attention Home, the Hong Kong Chinese Women's Club Madam Wong Chan Sook Ying Memorial Care and Attention Home for the Aged, and the Hong Kong Sheng Kung Hui Li Ka Shing Care and Attention Home for the Elderly respectively. SWD does not separately record the waiting time for individual RCHEs. The waiting time for specific RCHEs varies under different circumstances and is affected by many factors, including the number of residential care places in the concerned RCHEs that are available from natural wastage, the number of elders chosen to wait for the concerned RCHEs during the same period, the genders and preferences of elders waiting for specific RCHEs, and so on.
- (c) As elders can choose to wait for subsidized C&A places in different types of RCHEs (including subvented/contract RCHEs and RCHEs participating in the EBPS) in parallel, SWD does not keep separate statistics on the numbers of elders who passed away while waiting for different types of RCHEs. The numbers of elders who passed away while waiting for subsidized C&A places in the past five years were 2 151, 2 053, 2 159, 2 449 and 2 556 respectively.

It is important to note that elders waiting for subsidized C&A places can also opt for government-subsidized community care services in the interim. Generally speaking, elders can be allocated with subsidized community care services that suit their needs within a relatively short period of time. Besides, some elders may choose to stay in private RCHEs while waiting for subsidized C&A places. If these elders require financial assistance, they may apply for Comprehensive Social Security Assistance (CSSA) to meet the relevant expenses.

As at end February 2009, among the elders waiting for subsidized C&A places, about 53% (that is, 9 526 elders on the waiting list) were receiving various kinds of government subsidies or services, including:

- (i) 2 120 elders (12%) were using subsidized community care services;
 - (ii) 351 elders (2%) were using subsidized residential care services of a lower care level;
 - (iii) 4 463 elders (25%) were staying in non-subsidized residential care places in private RCHEs and receiving CSSA; and
 - (iv) 2 592 elders (14%) were staying at home and receiving CSSA, but were not using subsidized community care services.
- (d) The 2009-2010 Budget has earmarked recurrent funding of \$55 million (full year effect) to increase the supply of subsidized residential care places, including:
- \$17 million for providing some 150 additional subsidized residential care places (with 70% nursing home (NH) places and 30% C&A places) in two newly built contract RCHEs. SWD will continue to award contracts for operating these RCHEs through open tender; and
 - \$38 million for purchasing 500 subsidized C&A places from private RCHEs through EBPS.

The main task of the EC is to advise the Government on the formulation of a comprehensive elderly policy. The Government has consulted EC prior to the introduction of EBPS and the contract approach in operating RCHEs. The additional number of residential care places to be provided every year and its allocation (including additional places to be provided through contract RCHEs and EBPS) are determined by the Labour and Welfare Bureau and SWD, after considering various factors including elders' demand for different subsidized LTC services, availability of resources, the time

required for identifying and constructing contract RCHEs, and so on. EC is not involved in the process of allocating residential care places.

- (e) SWD launched EBPS in 1998 with a view to increasing the supply of subsidized C&A places and encouraging private RCHEs to enhance their quality of care through purchasing places from the private market under a fair and transparent mechanism. Under EBPS, SWD will invite all private RCHEs to submit applications and will select suitable RCHEs to join the scheme based on a set of open assessment criteria. The criteria cover various aspects, including the environment, facilities, service quality and management of the RCHEs, their past records (for instance, the number of warnings and advisory letters received from SWD), and the demand for residential care places in the districts where the RCHEs are located.

A characteristic of EBPS is that once a private RCHE participates in the scheme, the same enhanced standards (for example, staffing and bed spacing requirements) will apply to the entire home (including non-subsidized places). The introduction of EBPS represented an important step forward in enhancing the quality of private RCHEs. The Government will continue with the two-pronged approach, that is, by purchasing places from private RCHEs through EBPS and constructing new contract RCHEs, in order to progressively increase the supply of subsidized residential care places.

- (f) From now till 2011-2012, SWD will conduct open tender exercises to select operators for five newly built contract RCHEs (including the two newly built contract RCHEs mentioned in the 2009-2010 Budget). Besides, SWD has earmarked sites in 12 development projects for the construction of new contract RCHEs and will proceed with the open tender process in phases to select operators for these RCHEs upon the completion of the RCHE premises. These contract RCHEs are all purpose-built premises attached to residential or government/community development projects.

NGOs operating RCHEs in stand-alone buildings may apply to SWD for redeveloping or constructing additional storeys in the building if

they wish to increase the number of residential care places. In deciding whether to support such proposals, SWD will consider whether the redevelopment or extension can enhance the quality of service as well as the possible impact on elderly residents. If the proposal is supported by SWD in principle, the NGO has to submit a formal application to the Lands Department (LandsD). LandsD will examine proposals that involve change in plot ratio and/or land uses, and consult relevant departments before deciding on whether to approve the applications. On the costs of extending or redeveloping the premises, SWD will, having regard to the need of individual NGOs, whether the redevelopment or extension projects will enhance the support for frail elders, and so on, consider providing funding through the Lotteries Fund. Based on the above criteria, SWD has just supported a feasibility study on the redevelopment of the David Trench Home for the Aged of the Tung Wah Group of Hospitals through funding approved by the Lotteries Fund Advisory Committee in March 2009.

It is worth noting that these redevelopment or extension projects must conform with the provisions in relation to RCHE premises under the Residential Care Homes (Elderly Persons) Ordinance, including the provisions specifying that no part of an RCHE shall be situated at a height more than 24 m above the ground floor; and no RCHEs shall be situated in any part of an industrial building or any premises located immediately above the ceiling or below the floor slab of any godown, cinema and theatre.

Development of Higher Education at Lok Ma Chau Loop

8. **MRS REGINA IP** (in Chinese): *President, after meeting the leaders of Guangdong Province on 3 March this year in Beijing, the Chief Executive indicated that the Government of the Hong Kong Special Administrative Region and the Guangdong Provincial Government had agreed to jointly plan for a development zone at the Lok Ma Chau Loop (the Loop), primarily for higher education and secondarily for research and development (R&D) of new high technologies and creative industries. In this connection, will the Government inform this Council:*

- (a) *of the Government's specific ideas at present and suggestions received from various universities for implementing the aforesaid plan;*
- (b) *whether it has plans to develop higher education at the Loop using a corporate management approach, and offer university programmes with the mainland and Asian markets as the target to admit a large number of students from these areas, so as to increase the revenue of local universities and enhance their world ranking; and*
- (c) *given that only 14 500 first-year first-degree places are funded by the University Grants Committee each year, meaning that only 18% of those in the appropriate age group can be enrolled, whether the Government will make use of the aforesaid plan to increase the opportunities for local students to receive university education and improve the quality of tertiary education?*

SECRETARY FOR EDUCATION (in Chinese): President,

- (a) and (b)

The Administration plans to carry out a planning and engineering study and associated site investigation works for the proposed development of the Loop in the middle of this year to formulate sustainable and feasible planning and development proposals for the Loop. Planning and technical assessments on aspects such as land use, environment, cultural heritage, traffic, infrastructure, engineering, air ventilation, landscape and urban design which are relevant to the development proposals will be carried out. It is estimated that the study will commence in June 2009 and take about 28 months to complete.

As regards land use, in view of the unique history of the Loop, the Hong Kong and Shenzhen Governments will jointly develop the site for the mutual benefit of the two cities. The preliminary view of the two sides is that, in order to provide impetus for the development of human resources in South China and enhance the competitiveness of the Pearl River Delta, the leading land use in the Loop could be

higher education, to be complemented by hi-tech R&D facilities and creative industries. We will consult the tertiary education institutions in Hong Kong and explore the development proposals for the Loop.

- (c) As mentioned above, we will carry out the planning and engineering study for the proposed development of the Loop. Without a concrete development proposal, we will not be able to specifically set out the impact of the development of the Loop on higher education in Hong Kong at this stage.

While the number of publicly-funded first-year-first-degree places has remained stable in recent years, developments on other fronts have led to increased opportunities for students in the relevant age cohort to receive post-secondary education. Currently, the higher education sector provides publicly-funded and self-financed degree and top-up degree places for over 25% of the 17 to 20 age cohort, providing opportunities to receive higher education to more aspiring students.

In many developed economies, the self-financing sector performs an essential role in the provision of higher education. As such, apart from providing about 4 000 publicly-funded senior year places, we have also launched several support schemes to facilitate the development of self-financed postsecondary institutions and enhance the quality of their courses. For example, the Land Grant Scheme grants sites to postsecondary institutions at nominal premium for the construction of purpose-built campuses; the Start-up Loan Scheme provides interest-free loans to allow institutions to enhance quality and improve the students' learning experience; the Quality Enhancement Grant Scheme funds various projects/initiatives which aim at improving the quality of post-secondary education.

Vacant Government Sites for Short-term Use

9. **MR PAUL CHAN** (in Chinese): *President, after the meeting of the Task Force on Economic Challenges held in January this year, the Chief Executive indicated that if organizations which were interested in the vacant government*

sites available for short-term use had good proposals, they could contact the District Officers concerned for follow-up and co-ordination. In this connection, will the Government inform this Council:

- (a) of the number of applications for the lease of vacant government sites received from organizations since January this year, together with the content of the applications, the community projects for which the sites are to be used, the estimated expenditure, the number of employment places to be created and the anticipated economic benefit; when the first vacant government site is expected to be granted the earliest, and when the site concerned will be available for use;*
- (b) of the criteria for vetting and approving such applications; and*
- (c) given that the Government indicated in its reply to a question raised by a Member of this Council on 25 February this year that the Lands Department (LandsD) had adopted a simplified procedure to process the applications received, of the reduction in the average time needed to vet and approve such applications?*

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

- (a) and (b)

The provision of vacant government sites for short-term community use was introduced by the Financial Secretary in the 2007-2008 Budget speech (Appendix 1) as a measure of more flexible use of land resources. Information about the sites that are open for application has been made available to various District Offices since July last year. Up to mid-March this year, the LandsD has received a total of 18 applications for vacant government sites that can be put to temporary beautification or other temporary uses. The applicants include government departments, community organizations, non-profit-making bodies, schools, and so on. The proposed uses include organic farms, cycling parks, non-commercial storage yards and amenity areas.

Of the applications received, 14 have been approved and the sites have been taken up by the organizations, and the other four are under processing. In addition, the Civil Engineering and Development Department has planned to carry out greening works in accordance with the Greening Master Plans for eight sites.

The measure aims at principally meeting local aspirations by making gainful use of land. Therefore, the vetting and approving criteria depend very much on whether the applications have the approval and support of relevant Policy Bureaux and departments. Applications by District Councils to use local vacant sites for community purposes are particularly welcome. For the time being, we have no intention to include employment opportunities or anticipated economic benefits brought about by the applications as the basis of assessment. Nevertheless, we will consider collecting such information in due course from the organizations to which the vacant sites have been granted.

- (c) The LandsD will process these applications in accordance with the existing mechanism for vetting and approving short-term tenancies or land allocations. However, a simplified procedure has been put in place for renting out the 1 000 sites or so.

Upon receipt of an application, District Lands Offices (DLOs) of the LandsD will consult the concerned departments and Policy Bureaux promptly. If the proposed beautification, community or other temporary use or activities are supported by the Policy Bureaux and government departments and receive no objection from local residents, DLOs will consider directly granting a short-term tenancy or allocating the site to the relevant department. If the purposes or activities of the applications are non-profit-making and the charging of nominal rent is supported by the Policy Bureaux, DLOs will rent out the site to the applicant organization at a nominal rent of one dollar. Otherwise, a market rent will be charged. As it is no longer necessary for the applications to be referred to the District Lands Conferences, applicants may know the result within a short time.

We believe that the simplified procedure can shorten the time needed for processing applications. The LandsD will review the effectiveness of the measure after it has been implemented for a period of time.

Pollution of Streams by Soya Product Factories

10. **MR LAU WONG-FAT** (in Chinese): *President, on 26 January 2005, I raised a question on the problems of soya product factories causing serious pollution to the streams in the Northwest New Territories (NT) and emitting stench, and the Environmental Protection Department (EPD) explained the enforcement efforts made in this regard. Several years have past but there are still residents relaying to me that despite their repeated complaints made to EPD relating to the problem concerned, the situation has not yet improved. In this connection, will the Government inform this Council:*

- (a) of the operating licences such soya product factories located in the vicinity of streams are required to obtain;*
- (b) how the existing legislation and measures regulate illegal sewage discharges from such factories;*
- (c) apart from carrying out prolonged night-time ambush operations, of the measures the Government has put in place to tackle illegal sewage discharges from such factories late at night;*
- (d) of the number of prosecutions instituted in each of the past three years against owners of such factories for causing pollution to streams; and*
- (e) of the actions taken by EPD against the soya product factories concerned relating to the aforesaid problems since I raised the aforesaid question?*

SECRETARY FOR THE ENVIRONMENT (in Chinese): *President, the Government attaches great importance to the condition of streams in Northwest NT. To reduce pollution and improve the water quality of streams in the area,*

the Government has devoted substantial resources to, among other things, extending the public sewerage network to the NT and implementing a number of Sewerage Master Plans since the 1980s. As livestock farming and food manufacturing processes often involve wastewater discharges, the EPD and other relevant government departments have been working closely with the industries over the years to promote wastewater treatment technology with a view to reducing environmental pollution caused by such economic activities. We also take vigorous enforcement actions to protect the environment. In recent years, following the Government's launch of the Voluntary Surrender Scheme for livestock farms and the buyout scheme for live poultry trade, the impact of livestock waste on streams in the area has greatly reduced. When the sewerage infrastructures are completed, the water quality of streams in the area will further improve. In fact, since 1997, the Water Quality Objective compliance rates of all the seven major streams in Northwest NT have improved, with River Beas, River Indus and River Ganges in North District showing the most significant improvement. Some streams in the remote rural areas of the NT, however, are still affected by pollution loads from livestock farms, village houses and rural factories due to the absence of a comprehensive sewerage network.

Our reply to the above question is as follows:

(a) and (b)

Operators of soya product factories are required to apply to the Food and Environmental Hygiene Department for Food Factory Licences. As soya product factories usually generate wastewater in their manufacturing processes, factory operators have to apply to EPD for Discharge Licences under the Water Pollution Control Ordinance (WPCO). The licence conditions require the provision of wastewater treatment facilities in the factories, impose restrictions on effluent discharges and set out monitoring requirements for the discharges. Any person in contravention of the WPCO is liable to a maximum fine of \$200,000 and six-month imprisonment.

(c) EPD is aware that some factories discharge sub-standard effluents illegally late at night. Targeting those factories suspected of discharging effluents illegally, enforcement officers of EPD set up night ambushes to take enforcement actions against contravention. Besides, EPD carries out inspections of soya product factories from

time to time to check whether effluent discharges are properly treated according to the licence requirements. EPD also requires factory operators to submit regular effluent monitoring reports so that EPD can assess whether the wastewater treatment facilities are functioning properly.

- (d) In the past three years, four prosecutions (2 in 2006 and 2 in 2008) instituted by EPD against soya product factories for illegal effluent discharges resulted in convictions. Two other cases are in the process of prosecution.
- (e) EPD has stepped up enforcement actions against illegal discharges by soya product factories. Since 2006, EPD has carried out 211 inspections and 81 night ambushes targeting soya product factories that affect the water quality of streams in Northwest NT. EPD will also strengthen communication with relevant government departments on cases of illegal effluent discharges for their reference, and will consider appropriate measures whenever necessary to effectively curb illegal effluent discharges.

Development of Warehouses for Red Wine

11. **MR WONG TING-KWONG** (in Chinese): *President, regarding the development of warehouses for red wine, will the Government inform this Council whether:*

- (a) *it knows the types of buildings being used as warehouses for red wine, as well as the demand and supply of such warehouses;*
- (b) *it knows the number of factory building units converted into warehouses for red wine in each of the past three years, as well as the current percentage of such warehouses in the total number of warehouses for red wine in Hong Kong; and*
- (c) *it will examine ways to assist the development of warehouses for red wine, including whether it will consider waiving the land premium chargeable for conversion of factory building units into warehouses for red wine; if it will, of the details; if not, the reasons for that?*

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

- (a) According to the industry, most existing wine storage facilities are accommodated in factory buildings. Some such facilities could also be found in premises converted from former military bunkers.

Feedback from the industry suggests that the demand for wine storage facilities has gone up since the duty exemption last year. In response, individual industry players are expanding their storage capacity and/or commissioning new facilities, through either converting general warehouses/cold stores or refurbishing factory building units for wine storage purposes. The industry anticipates adequate overall supply of wine storage facilities this year for meeting demand.

- (b) Depending on the lease conditions of the factory buildings in question, converting units in these buildings for wine storage purposes may or may not require government approval. Hence, we do not have annual figures for such conversions or, for that matter, the percentage share that these conversions account for, relative to the number of wine warehouses in the territory.
- (c) According to the Development Bureau, storage of wine is permitted in those factory buildings governed by leases which provide for "godown use" or "industrial and/or godown use". There are however factory buildings which are governed by leases which provide for "industrial use" only. The relevant lessees will have to apply for lease modification (or waiver) before using units in such factory buildings for wine storage purpose. The Lands Department (LandsD) may consider granting such application for lease modification (or waiver) based on the relevant considerations. When considering current applications in the light of the present market situation, LandsD considers that there could not be discernible enhancement in value for allowing factory units governed by industrial-use leases to be modified for storage of wine only. Hence, the question of charging a premium (or waiver fee) for granting such a lease modification (or waiver) may not arise (but the lessees would still have to pay an administrative fee). LandsD will keep the market situation under review.

The demand for and supply of wine warehouses is basically market driven. On its part, the Government acts to facilitate.

For instance, Invest Hong Kong will continue to tap its international network and assist companies attracted by opportunities in the Asian market to set up or expand their wine storage businesses in Hong Kong. Support services include the provision of information on the business environment, matching prospective investors with potential local and overseas partners, and rendering help on practical matters related to setting up of businesses.

Besides, acting on suggestions from the industry, the Government is identifying suitable heritage buildings for commercial purposes, including wine-related businesses (for example, storage, exhibition, wine appreciation and training). To test the market, the Development Bureau will invite tenders for Haw Par Mansion later this year, with a view to granting the tenancy in a fair and open manner.

Lifts and Escalators Installed at Entrances/Exits of MTR Stations

12. **DR RAYMOND HO:** *President, it is learnt that some entrances/exits of the Mass Transit Railway (MTR) stations are not equipped with lifts or escalators connecting the concourse level, which cause considerable inconvenience to the elderly and particularly the physically handicapped. In this connection, will the Government inform this Council whether it knows:*

- (a) *the current number and percentage of MTR entrances/exits which are not equipped with lifts, stair lifts or escalators connecting the concourse level;*
- (b) *the average monthly number of times the stair lifts were used by wheelchair users at MTR stations in each of the past two years; and*
- (c) *if the MTR Corporation Limited (MTRCL) has formulated any specific plan to improve the accessibility of the entrances/exits of MTR stations which are currently not equipped with lifts or escalators?*

SECRETARY FOR TRANSPORT AND HOUSING: President,

- (a) In line with the Government's "Transport for All" policy, all MTRCL railway stations are provided with at least one barrier-free access, to facilitate those in need to move between the station platform and the ground level through the station concourse by making use of lifts, escalators or other ancillary facilities.

At present, MTRCL has 82 stations with a total of 462 entrances/exits. Of these entrances/exits, 164 (that is, 35% of all entrances/exits) are either in at-grade station concourses or are connected with nearby shopping arcades/public footbridges at the same level through level walkways or ramps. There is hence no need for retrofitting of connecting facilities at these entrances/exits. Counting by types of facilities used to connect to station concourses, 53 entrances/exits (11.5% of all entrances/exits) are equipped with lifts; 13 entrances/exits (3%) are equipped with stair lifts; and 83 (18%) entrances/exits are equipped with escalators.

- (b) According to MTRCL, they have not kept any record of usage of stair lifts.
- (c) Due to geographical and space constraints and the need to ensure smooth pedestrian flow and evacuation, stations that have been constructed in earlier years have limited scope for retrofitting of facilities. Despite such difficulties, MTRCL has been actively exploring the feasibility of and putting in more resources to improve passenger travelling environment wherever practicable. These include retrofitting facilities such as lifts, stair lifts, wheelchair aids, ramps and wide ticket gates, to facilitate passengers in need to access MTR stations. In the last 10 years, MTRCL has spent \$635 million and a further \$200 million has been committed for the next five years on efforts in this regard including the retrofitting of lifts at four stations of the Tsuen Wan Line, namely, Tsim Sha Tsui, Jordon, Yau Ma Tei and Sham Shui Po Stations, which is scheduled for completion by 2011.

MTRCL has also been in close liaison with organizations for people with disabilities, through half-yearly consultation meetings with them to learn their needs and suggestions on station facilities and their views on the practicality of new facilities. MTRCL will continue its efforts in this regard.

Travellers Deceived by Fraudulent Hotel Car Pick-up Service

13. **MR PAUL TSE** (in Chinese): *President, I have learnt that recently some foreign travellers complained about being deceived. They said that upon their arrival at the Hong Kong International Airport, someone who claimed to be a driver from the hotel in which they intended to stay drove them, in a car suspected to be a bogus hotel saloon, to the vicinity of the hotel, and then demanded excessively high fares from them. In this connection, will the Government inform this Council:*

- (a) *whether it knows if the Airport Authority Hong Kong (Airport Authority) and the police have received similar complaints since last year; if so, of the total number of such cases, as well as the progress of the investigations concerned; and*
- (b) *what measures are in place to prevent a recurrence of such incidents; whether it will take measures shortly to raise the alertness of travellers, so as to avoid them from being deceived?*

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

- (a) The Government is highly concerned about activities regarding illegal carriage of passengers for hire or reward. In this regard, the police would take vigorous enforcement actions against all illegal activities. Since the implementation of new traffic management measures at the Hong Kong International Airport and enhanced controls on loading and unloading of passengers/goods in 2007, illegal transport activities at the Hong Kong International Airport has reduced significantly. The police and the Airport Authority have not received any complaints regarding bogus hotel saloon since last year.

- (b) The Transport Department, the police and the Airport Authority have set up a special task force since July 2005 to deal with and follow-up on illegal transport activities at the Airport. The Transport Department would continue to liaise and exchange views with the transport trade to review and improve relevant control measures.

In respect of hotel saloon cars, vehicles approved for such operation at the Airport may only load and unload passengers at the designated Hotel and Travel Agent Limousine Waiting Lounge. Hotel service counters and hotel staff in uniforms at the Arrival Hall may provide assistance to passengers and escort them to the designated Waiting Lounge for boarding. The Airport Authority would continue to enhance publicity and directional signs to keep visitors informed of the arrangement and transport choices available to and from the Airport. The police and the Airport Authority would also step up patrolling at the Arrival Hall and the car parks to prevent illegal touting activities.

Furthermore, the Airport Authority and the Hong Kong Tourism Board have provided information on availability of major transport choices (including limousines services) at the Airport on their websites and other visitor information publications. The Transport Department has also produced taxi information flyers for distribution to tourists and taxi passengers at the Airport. The flyer includes information of basic fares of the three types of taxis, the approximated taxi fares from the Airport to some designed locations, as well as relevant hotlines. The Visitor Centre set up by the Hong Kong Tourism Board at the Airport also provides visitors with comprehensive tourist information including advice on means of transport available.

Specialist Out-patient Services

14. **MR ALBERT CHAN** (in Chinese): *President, in reply to my question raised on 17 December 2008 regarding cases of non-urgent conditions for specialist out-patient (SOP) services at public hospitals, the Government only provided information on the waiting time for first appointment of new cases, and*

stated that such waiting time was not applicable to existing cases as the dates for follow-up consultation for these cases were arranged by doctors. Yet, I have received complaints from quite a number of members of the public that a remote date for follow-up SOP consultation was arranged for them. They are worried that their clinical conditions will worsen due to the lack of timely treatment over a prolonged period. In this connection, will the Government inform this Council whether it knows:

- (a) in respect of existing cases of each SOP service, the average duration between the dates of follow-up consultations last year and the dates for the next consultations, as well as the number of existing cases as at the end of last year, broken down by the duration (that is, less than one year, one year to less than two years, two years to less than three years, and three years or above) between the date of the last follow-up consultation and the date for the next;*
- (b) in respect of existing cases of each SOP service at present, the longest duration between the date of the last follow-up consultation and the date for the next; and*
- (c) whether the Hospital Authority (HA) will take any measure to improve the situation of existing SOP cases having to wait for a long time for follow-up consultation; if it will, of the details; if not, the reasons for that?*

SECRETARY FOR FOOD AND HEALTH (in Chinese): President, currently, under the triage system for new SOP cases of the HA, SOP clinics will fix the date of medical appointment for new patients on the basis of the urgency of their clinical conditions, taking into account the patients' clinical history, the presenting symptoms and the findings of physical examination and investigations. During consultation, doctors of SOP clinics will again conduct assessment for the patients and arrange for them to receive further examination and treatment or refer them to other specialties for follow-up based on patients' clinical needs. The date of follow-up consultation of each patient is determined according to the patient's clinical needs and so the appointment time for follow-up consultation varies from case to case. Information related to various parts of the question is provided as follows.

(a) and (b)

The duration between the date of booking of appointment for follow-up consultation and the date of consultation for existing SOP cases of major SOP specialties in 2008-2009 (up to December 2008) (with breakdown by less than one year, one year to less than two years, two years to less than three years and three years or above), as well as the median duration and the 99th percentile duration, are set out at the Annex.

Generally speaking, the date of follow-up consultation of patient will be arranged within three to four months from the date of booking of appointment. The data of 2008-2009 (up to December 2008) shows that the follow-up consultation for 90% of the SOP patients was arranged within eight months of the date of booking and about 98% of the patients were arranged to have follow-up consultation within one year.

We understand that some patients in relatively stable condition would like to have a follow-up consultation within a short period of time. Doctors of SOP clinics will discuss with individual patients to arrange a suitable date for follow-up consultation in light of their clinical needs. In certain circumstances, patients will be arranged for follow-up consultation after a longer period of time. For example, for patients requiring regular clinical audiological assessment after cochlear implant, or for cataract patients and paediatric skin diseases patients whose condition have turned relatively stable, they will be arranged for a follow-up consultation after a longer period. Besides, patients suffering from renal stone assessed to be in relatively stable condition by the surgical SOP clinic will be referred to the family medicine SOP clinic for follow-up and arranged for follow-up consultation at the surgical SOP clinic after a longer period. Nevertheless, patients can approach the relevant SOP clinic to advance their follow-up consultation where necessary should their conditions deteriorate while waiting for the appointment. In case of emergency, they can also seek treatment from the Accident and Emergency Department direct.

- (c) In line with the direction of health care reform to enhance primary care, promote public-private partnership and put emphasis on disease prevention, the Government has earmarked a total of about \$509 million for the period 2009-2010 to 2011-2012 to implement a series of health care reform initiatives on a pilot basis to enhance primary health care services and the support for chronic disease patients, and to strengthen family medicine training. One of the pilot initiatives is to give stable chronic disease patients currently under the care of SOP clinics under HA the alternative choice to receive health care from private medical practitioners based on specified service models and protocols for effective care of their chronic diseases and with subsidies by the Government. As some of the chronic disease patients will change to be managed by private medical practitioners through the pilot project, the waiting time of SOP clinics could be shortened and other patients could therefore benefit.

Annex

Duration between the date of booking of appointment
and the date of consultation
for existing SOP cases of major SOP specialties
in 2008-2009 (up to December 2008)

<i>Specialty</i>	<i>Total Number of Existing Cases</i>	<i>Duration between date of booking of appointment and date of follow-up consultation</i>					
		<i>Less than one year</i>	<i>One to two years</i>	<i>Two to three years</i>	<i>Three years or above</i>	<i>Median (Weeks)</i>	<i>99th percentile</i>
Ear, Nose and Throat	217 903	206 988	10 909	6	0	23	66
Gynaecology	213 652	212 555	998	99	0	12	52
Medicine	1 404 488	1 397 246	7 228	14	0	13	52
Ophthalmology	670 262	647 364	21 651	1 247	0	12	78
Orthopaedics	395 286	386 179	9 061	46	0	12	59
Paediatrics	223 093	219 858	3 070	127	38	13	54
Psychiatry	537 215	537 142	72	1	0	7	26
Surgery	530 225	510 485	17 375	1 535	830	13	78

Road Traffic Nuisance Caused to Residents of Prosperous Garden in Yau Ma Tei

15. **DR PRISCILLA LEUNG** (in Chinese): *President, I have recently received complaints from residents of Prosperous Garden in Yau Ma Tei, pointing out that at present, the road traffic noise and exhaust gases generated from the heavy vehicle flows on the several elevated roads on the west side of their estate have caused serious nuisance to their daily life. In addition, as the Western Tunnel Portal of the Central Kowloon Route which the Government is planning to construct will be located on the west side of the estate, they worry that the nuisances caused to them may worsen in the future. In this connection, will the Government inform this Council:*

- (a) *of the number of relevant complaints received by the authorities from the estate's residents in the past three years and their main content; and*
- (b) *what criteria are adopted by the authorities at present in considering the installation of noise barriers on road sections which are close to residential buildings; how many road sections in Hong Kong are not installed with noise barriers even though they meet such criteria; and whether they include the section of Gascoigne Road Flyover near Ferry Street, which is adjacent to the estate?*

SECRETARY FOR THE ENVIRONMENT (in Chinese): President,

- (a) The number of complaints about road traffic noise and exhaust gases lodged with the Environmental Protection Department (EPD) and the Highways Department (HD) by residents of Prosperous Garden in Yau Ma Tei over the past three years is as follows:

	2006	2007	2008
No. of complaints:	0	0	7*

Note:

- * Multiple complaints lodged by the same complainant are counted as a single complaint.

The complaints were mainly about noise and air pollution caused by passing vehicles, as well as the lack of noise barriers along the concerned road section.

- (b) To mitigate the impact on local residents, it is the Government's policy to consider installing noise barriers along existing road sections with excessive noise as far as practicable and subject to availability of resources. Technical criteria to be considered in the process include:
- (i) whether the noise barrier/enclosure will obstruct emergency access or hinder fire fighting efforts;
 - (ii) whether the noise barrier/enclosure will affect road safety or obstruct the flow of pedestrians and traffic; and
 - (iii) whether there is adequate space and structural capability (applicable to flyovers) for supporting the noise barrier/enclosure.

At present, 36 road sections are included in the Public Works Programme for retrofitting of noise barriers. Works on 2 road sections have been completed, 10 are underway, 2 are about to start and 2 will be upgraded to Category A. Works on the remaining 20 road sections will be implemented by phases under the Public Works Programme and Resource Allocation Exercise. EPD and HD will continue to explore the need and feasibility of retrofitting noise barriers along existing road sections with high traffic noise. Resources permitting, the retrofitting projects will cover more road sections.

The section of Gascoigne Road Flyover near Ferry Street is not covered by the above works programme mainly because this road section is a flyover built many years ago. After careful evaluation by relevant departments, the road section is found to be incapable of bearing the extra load. Furthermore, due to a bend on the road section, noise barriers may affect drivers' sightline and pose a road safety problem. Therefore, it is not feasible to install noise barriers on this road section.

Rehabilitation Works for Shek O Quarry

16. **MS AUDREY EU** (in Chinese): *President, it has been reported that upon completion of the rehabilitation works for Shek O Quarry (SOQ) in December this year, the Government plans to develop the quarry into a water sports centre and construct artificial nesting sites to provide a habitat for peregrine falcons. In this connection, will the Government inform this Council of:*

- (a) the latest progress and total expenditure of the SOQ rehabilitation works;*
- (b) what benefits in conservation are expected of the artificial nesting sites; and*
- (c) the planning and operational arrangements for the water sports centre, as well as details of the relevant tourism and transportation support plans?*

SECRETARY FOR DEVELOPMENT (in Chinese): President, Government's Metroplan of 1989 identified SOQ as an area of degraded landscape that required rehabilitation, and put forward the concept of developing the rehabilitated quarry into a water sports centre. Consultant ornithologists also recommended that artificial nesting sites be constructed on cliffs as part of the rehabilitation works to provide a habitat for peregrine falcons.

In January 1994, the then Civil Engineering Department (CED) commenced the SOQ rehabilitation works. In January 2002, CED briefed the media on the scope of the rehabilitation works, including tree planting trials, artificial nesting sites and the concept of developing the rehabilitated quarry into a water sports centre.

My reply to Member's questions is as follows:

- (a) The rock excavation works at the quarry are near completion, while the beautification and rehabilitation works are approximately 70% completed. Trees planted are growing well and cover the slope

surfaces extensively. The whole project is expected to complete by June 2010.

The SOQ rehabilitation works contract is a revenue earning contract. The contractor is granted Rights and Permissions to excavate, import and crush rock materials for sale at the obligation of undertaking the design and construction works, and paying Government sums as stipulated under the contract. As such, the Government does not need to pay for the SOQ rehabilitation works.

- (b) In 2002 and 2003, three artificial nesting sites were constructed, each measuring 0.8 metre (height) x 1.5 metres (width) x 0.7 metre (depth). The benefits of the artificial nesting sites in conservation can be assessed when the cliffs and surrounding areas regain tranquility and a near natural environment upon complete rehabilitation of SOQ.
- (c) As shown in the approved Tai Tam and Shek O Outline Zoning Plan No. S/H18/10, SOQ remains in an "undetermined" zone. Planning Department is currently examining possible land uses of SOQ after rehabilitation. This includes consulting relevant government departments on developing the site into a water sports centre.

Problems of Spurious Pharmaceutical Products

17. **DR JOSEPH LEE** (in Chinese): *President, it is learnt that the inflow of spurious pharmaceutical products into the market of Hong Kong occurs from time to time, and that taking spurious pharmaceutical products not only denies the patients appropriate treatment, but more seriously, it may also cause lowered immunity, permanent damage to organs or even death. In this connection, will the Government inform this Council:*

- (a) *of the respective quantities of various pharmaceutical products involved in detected cases of manufacturing, importing, exporting and selling spurious pharmaceutical products in each of the past five years, as well as the penalty imposed for each convicted case;*

- (b) *whether it knows the number of cases, in each of the past five years, of members of the public receiving treatment in public hospitals for disorders after taking spurious pharmaceutical products and, among such cases, the number of those resulting in deaths;*
- (c) *whether it had assessed in the past two years if the existing monitoring system can effectively combat the sale and import activities of spurious pharmaceutical products; if it had, of the details; if not, the reasons for that; and*
- (d) *whether it has considered increasing the penalties for manufacturing, selling and importing spurious pharmaceutical products, so as to strengthen their deterrent effect; if it has, of the details; if not, the reasons for that?*

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

- (a) Statistical data on seizure of spurious Chinese and western medicines by the Customs and Excise Department (C&ED) in the past five years and the penalties imposed under the Trade Descriptions Ordinance by the court are set out in Annex.
- (b) The Department of Health (DH) will follow up on cases of hospitalization and death caused by adverse reactions as a result of taking Chinese or western medicine. In the past five years, there is no evidence to suggest that there were cases of hospitalization or deaths caused by taking spurious Chinese or western medicine.
- (c) The C&ED has all along taken strenuous efforts to combat the sale of counterfeit goods in order to protect intellectual property rights, as well as the interests of the trades and the consumers. Since spurious medicines may be hazardous to public health, the C&ED will give priority to deal with such cases.

When goods enter or leave Hong Kong, the C&ED will, by way of risk management and after intelligence analysis, carry out spot

checks on the goods to combat the import, export and re-export activities of spurious medicines. In addition, the C&ED has been in close liaison with the pharmaceutical manufacturers and trademark proprietors to monitor the market situation, and will take prompt enforcement actions against those stores which are in violation of the law. Furthermore, the C&ED and DH also work in close collaboration. Apart from intelligence sharing, they carry out joint operations to combat the retail sale of spurious medicines. A recent joint operation was carried out on 27 March 2009. Six people were arrested in the operation.

For protection of public health, the packaging, sale, sales outlets and sales practices of western medicines are subject to the regulation of the Pharmacy and Poisons Ordinance and its subsidiary legislation. Anyone who is found selling pharmaceutical products which have not been registered with the Pharmacy and Poisons Board is liable on conviction to a maximum penalty of a fine of HK\$100,000 and to imprisonment for 24 months. Convicted drug traders may also be subject to disciplinary inquiries by the Pharmacy and Poisons Board, which may even lead to the revocation of their licences.

Upon the full implementation of the provisions governing the registration of proprietary Chinese medicines under the Chinese Medicine Ordinance, the sale, import and possession of unregistered proprietary Chinese medicines (including those manufactured locally or those manufactured outside Hong Kong and imported into Hong Kong for sale) shall not be allowed in Hong Kong. A label shall be attached to the package of registered proprietary Chinese medicines to state clearly, among other things, the name of the medicine, its main active ingredients, the place of manufacture, the registration number on the certificate of registration and the name of the holder of the certificate.

In addition, the Practising Guidelines for Wholesalers of Proprietary Chinese Medicines promulgated by the Chinese Medicines Board (CMB) of the Chinese Medicine Council of Hong Kong prohibits

wholesalers from engaging in the dealing of proprietary Chinese medicines suspected to be counterfeit products. The CMB may take disciplinary actions against non-complying Chinese medicines traders, including issuing warnings to them, varying the conditions or restrictions of their licences, and revoking or cancelling their licences.

- (d) The C&ED is responsible for taking enforcement actions under the Trade Descriptions Ordinance, which provides that any person who imports, exports, sells or manufactures goods to which a forged trademark is applied commits an offence. Cases involving spurious medicines will be brought before a Magistrate's court for trial and upon summary conviction, a fine of HK\$100,000 and imprisonment for two years may be imposed.

For serious cases, the C&ED can, after consulting the Department of Justice, transfer the cases to the District Court for trial and upon conviction on indictment, a maximum penalty of a fine of HK\$500,000 and imprisonment for five years will be imposed.

Annex

Statistical data on seizure of spurious Chinese and western medicines and penalties imposed under the Trade Descriptions Ordinance from 2004 to 2008

Year	No. of spurious medicines seized (Tablets)				Value of the seized medicines (HK\$)				Penalties imposed by the court			
	Manufacture	Import	Export	Retail	Manufacture	Import	Export	Retail	Manufacture	Import	Export	Retail
2004	11 000	6 500 000	8 600	600	140,000	6,200,000	110,000	42,000	Imprisonment of 12 months	Imprisonment of 4-6 months	Imprisonment of 3 months	Imprisonment of 1-6 months
2005	-	2 300	-	4 500	-	50,000	-	140,000	suspended for two years	suspended for two years	suspended for 18 months	suspended for 12-36 months
2006	9 000	-	-	1 400	24,000	-	-	55,000			Fine HK\$20,000	Fine HK\$1,500
2007	-	253 000	86 000	6 000	-	6,200,000	1,000,000	220,000				
2008	-	34 000	3 300	8 000	-	310,000	260,000	770,000			HK\$50,000	HK\$120,000

Obnoxious Facilities at Praya Road Area in Tin Wan

18. **MR KAM NAI-WAI** (in Chinese): *President, the Government permitted the provision of obnoxious facilities such as sewage treatment works and concrete batching plant many years ago in areas along Tin Wan Praya Road, which were far away from residential buildings, so that the pollution caused by these facilities would not affect the residents nearby. Yet, with the completion of major residential estates one after another in the area, such as Wah Kwai Estate, Ka Lung Court and South Horizons, these facilities are still in operation. Moreover, the MTR Corporation Limited (MTRCL) also plans to use a piece of land in that area which is the closest to the residential buildings as a works area for supporting a rail project, so that the earth removed from tunnel excavation can be shipped away. In addition, the Government recently indicated that after the aforesaid concrete batching plant ceased operation on the 31st of March this year, it intended to lease the site through open tender for continued use as a concrete batching plant; furthermore, works to be conducted for the sewage treatment works to complement the Harbour Area Treatment Scheme (HATS) are in the pipeline. As a result, the number of obnoxious facilities in that area will likely increase instead of decrease. In this connection, will the Government inform this Council:*

- (a) *of the respective uses of the various existing buildings and sites under planning at Tin Wan Praya Road, and their respective closest distances from the residential buildings, together with a map indicating the locations of these buildings and sites;*
- (b) *whether it has assessed if the aforesaid situation that the number of obnoxious facilities has all along been increasing after the construction of residential buildings in great numbers in the vicinity reflects faulty planning on the part of the Government; if the assessment result is in the negative; of the reasons for the Government deliberately permitting the provision of obnoxious facilities near residential buildings;*
- (c) *whether the authorities have conducted environmental impact assessment studies (including studies on the air quality) and*

assessments on the impact on public health for the provision of such additional obnoxious facilities;

- (d) whether the views of the residents and the District Council as gauged by the Southern District Office support the Government to continue to lease the site of the aforesaid concrete batching plant for such use and at the same time to set up an additional earth transfer station for MTRCL in that area; if the views are in the affirmative, of the evidence; if the views are in the negative, the legal justifications to enable the Government to follow public opinion and reject the provision of these two types of facilities in that area; and*
- (e) whether it plans to relocate all the aforesaid obnoxious facilities away from the vicinity of residential buildings; if so, of the details and the implementation timetable?*

SECRETARY FOR DEVELOPMENT (in Chinese): President, our consolidated reply to Hon KAM Nai-wai's question is as follows:

- (a) The existing buildings to the west of the breakwater at Tin Wan Praya Road include a preliminary sewage treatment works, gasholder and works and a concrete batching plant.

Under the HATS Stage 2A, the Drainage Services Department (DSD) will build a sewage tunnel about 80 metres beneath Tin Wan Praya Road and upgrade the preliminary sewage treatment works. Three pieces of government land at Tin Wan Praya Road will be acquired by DSD as temporary works areas during construction.

The proposed South Island Line (East) to be built by the MTRCL will inevitably generate a lot of debris while construction is in progress. To ease the burden on local surface traffic and external trunk roads, and reduce the impact on the environment, the MTRCL has proposed to identify suitable locations along the coastline in

Southern District for setting up temporary construction and demolition material barging points to ship away the debris. However, it is not easy to find a suitable location in Southern District, and after consultation with the relevant government departments, the MTRCL proposes that one of the locations where a temporary construction and demolition material barging point could be built is at the waterfront of Kellett Bay in Aberdeen, south of Wah Kwai Estate and Ka Lung Court. The debris excavated from the former Wong Chuk Hang Estate and the works area at Nam Fung Road will be shipped away via the barging point.

The above works areas proposed by DSD and MTRCL are not planned for permanent use. The locations of the various facilities and their respective distance from the closest residential building are shown in the plan attached.

- (b) The preliminary sewage treatment works as well as the concrete batching plant mentioned in the question have been in existence before Wah Kwai Estate, Ka Lung Court and South Horizons were built. The operation of these facilities has been in compliance with the law. The preliminary sewage treatment works that mainly serves the development in Aberdeen including Ka Lung Court is zoned "Government, Institution or Community" while the concrete batching plant is zoned "Other Specified Uses" annotated "Aggregate/Cement Handling and Concrete Batching Area" on the Approved Aberdeen and Ap Lei Chau Outline Zoning Plan No. S/H15/24. These two pieces of land were zoned for the above uses in 1970 and 1983 respectively. No similar facilities have been planned in the Tin Wan area thereafter.
- (c) The upgrading of the sewage treatment works in Tin Wan forms part of the HATS Stage 2A. The Environmental Impact Assessment (EIA) report of HATS Stage 2A was approved by the Director of Environmental Protection under the Environmental Impact Assessment Ordinance on 30 October 2008. According to the

findings of the EIA report, with the incorporation of prevention and mitigation measures, the upgrading works and future operation of the sewage treatment works in Tin Wan will comply with all relevant environmental standards and regulations with no unacceptable environmental impacts on residents in the neighbourhood. The current operation of the sewage treatment works in Tin Wan is environmentally acceptable and the Environmental Protection Department (EPD) has not received any complaint about it.

The MTRCL has engaged consultants to conduct an EIA study for the South Island Line (East) Project. The study will examine in detail the environmental impacts arising from the construction and operation of the project, and propose improvement and mitigation measures accordingly, including the provision of temporary construction and demolition material barging points. EPD has drawn the attention of MTRCL to the residents' concerns about the potential environmental impacts arising from the project so that MTRCL will fully consider and examine those concerns. Upon completion of the EIA study, MTRCL is also required to make the report and findings of the study available for public inspection. EPD will decide whether to approve the EIA report after taking full account of the views of the public and the Advisory Council on the Environment.

The operation of the concrete batching plant in Tin Wan is subject to the control of the specified process licence issued under the Air Pollution Control Ordinance. When applying for the licence, the applicant had submitted an air pollution control plan to assess the air quality that might be affected and the risk to human health in the plant's vicinity. So far, EPD has found no irregularities of the concrete batching plant. The environmental monitoring results also reveal that the operation of the plant is in compliance with the requirements of the specified process licence. The environmental monitoring results have been provided to the Southern District Council (SDC) by the EPD on a regular basis.

- (d) The SDC has been concerned about the arrangement for the land currently occupied by the concrete batching plant at Tin Wan Praya Road upon the expiry of the current lease. The issue has been discussed many times at the meetings of the District Development and Environment Committee (DDEC) under the SDC. The DDEC was informed on 2 January this year by the Lands Department (LandsD) that the lease of the concrete batching plant would expire on 31 March this year. At the DDEC's meeting on 23 February this year, the representative of LandsD reported that the tenant of the concrete batching plant had applied for lease renewal on 16 January this year. The DDEC immediately opposed to the application. The tenant has now withdrawn his renewal application. The concrete batching plant at Tin Wan Praya Road will cease operation on 1 April this year.

The Focus Group on Planning and Development of South Island Line under the SDC (Focus Group) has discussed many times MTRCL's proposal of setting up a temporary construction and demolition material barging point at the waterfront of Kellett Bay. Some members of the Focus Group urged MTRCL to consider other locations. To mitigate the impact to the neighbourhood arising from the barging point at Kellett Bay, in addition to carrying out the EIA study, MTRCL has proposed to plant trees and shrubs and provide park facilities on the vacant site adjacent to the barging point for greenery along the waterfront of Kellett Bay facing Wah Kwai Estate. With the introduction of appropriate temporary traffic measures, the impact on traffic, the environment and local community brought by the project is to be kept to a minimum. At the meeting on 11 March 2009, the Focus Group agreed that the Government should gazette the project under the Railways Ordinance (Cap. 519) in mid-2009 for formal public consultation and handling of objection in accordance with the legal procedures. The Government would continue to explain to the District Councillors and local community the justifications for setting up a temporary barging point at Kellett Bay.

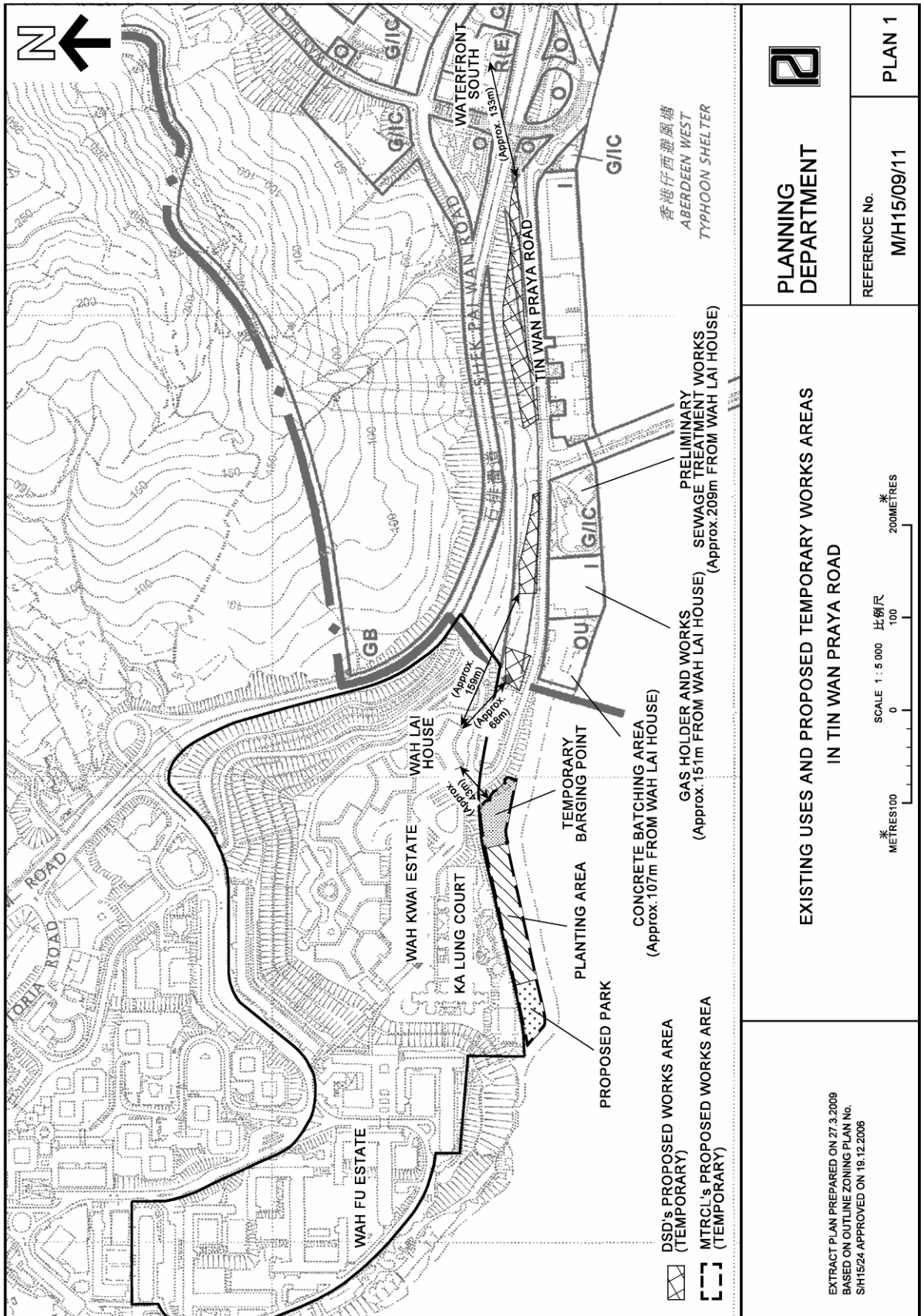
- (e) The works at Tin Wan Praya Road under the HATS Stage 2A are scheduled to commence in the third quarter of 2009 for completion in 2014. DSD will then surrender the three sites it has temporarily acquired to LandsD.

The temporary construction and demolition material barging point, which MTRCL has proposed to build at Kellett Bay, will start operation when the works of the South Island Line (East) commence in 2011. Upon completion of the project in 2015, MTRCL will remove the facility and revert the land to the Government.

The concrete batching plant in Tin Wan, situated on the only site zoned for concrete batching on Hong Kong Island, is also the primary source of concrete supply for the Island. Concrete must be delivered to construction sites for use within a short time after production. It is therefore necessary to retain at least one site for a concrete batching plant on the Island to meet the demand of the construction works on Hong Kong Island. The Planning Department (PlanD) has conducted a site search exercise to identify a suitable alternative site on the Island for concrete batching. However, none of the 35 sites identified is suitable due to incompatible land use, large-scale tree felling and/or traffic problems. PlanD is now conducting a new round of site search and plans to brief the DDEC on its findings by mid 2009. Although the current operator in Tin Wan will cease operation on 1 April 2009, any decision to change the land use of the site still depends on whether the Government can identify an alternative site for concrete batching on the Island.

As regards the sewage treatment works, there is no plan for relocation in view of its prescribed service coverage and sound operation.

Attached Map 1



PLANNING DEPARTMENT

REFERENCE No.

M/H15/09/11

PLAN 1

EXISTING USES AND PROPOSED TEMPORARY WORKS AREAS
IN TIN WAN PRAYA ROAD

EXTRACT PLAN PREPARED ON 27.3.2009
BASED ON OUTLINE ZONING PLAN No.
SI/H15/24 APPROVED ON 19.12.2006

Illegal Entrants Applying for Political Asylum

19. **MS STARRY LEE** (in Chinese): *President, it has been reported that recently there is an upward trend of cases of South Asians or Africans entering Hong Kong illegally or overstaying in the territory. Some of them even resort to seeking political asylum as a "cover" and hence are permitted to stay in Hong Kong temporarily. In this connection, will the Government inform this Council of:*

- (a) *the respective numbers of foreign nationals entering Hong Kong illegally, overstaying and taking up employment illegally in Hong Kong in the past three years (with a breakdown by their country of origin); and among them, the respective numbers of those who applied for political asylum, were granted political asylum, appealed against rejection of their applications, and were repatriated to their places of origin eventually;*
- (b) *the average time it takes from the lodging of an application for political asylum to the application being approved or the repatriation of the applicant to his place of origin; what assistance and services the authorities provide to the applicant during this period; and*
- (c) *the current number of people who are allowed to stay in Hong Kong temporarily while the authorities are considering their applications for political asylum; and among them, of the number of those who have been found to have taken up employment in Hong Kong?*

SECRETARY FOR SECURITY (in Chinese): President, our reply is set out below.

- (a) The respective numbers of foreign nationals arrested for illegal entry, overstaying and taking up employment illegally are as follows:

<i>Year*</i>		2006	2007	2008
(i) Illegal Entry				
Nationality	South Asian or African	272	1 410	957
	Others	599	640	660
Total		871	2 050	1 617
(ii) Overstaying				
Nationality	South Asian or African	1 342	1 309	917
	Others	434	462	335
Total		1 776	1 771	1 252
(iii) Illegal Employment				
Nationality	South Asian or African	85	91	299
	Others	419	404	341
Total		504	495	640

Note:

* when the arrests were made

The United Nations' 1951 Convention relating to the Status of Refugees does not apply to Hong Kong. Claims for refugee status lodged in Hong Kong are dealt with by the Hong Kong Sub-office of the United Nations High Commissioner for Refugees (UNHCR)⁽¹⁾. According to UNHCR, statistics on refugee claims handled between 2006 and 2008 are as follows:

<i>Year</i>		2006	2007	2008
(i) Asylum seekers				
Nationality	South Asian or African	2 406	1 452	456
	Others	75	172	279
Total		2 481	1 624	735
(ii) Recognized refugees				
All Nationalities		55	30	46

As at end-February 2009, there are about 210 persons who have been refused refugee status but are staying in Hong Kong pending the result of appeals. In the past three years, there were about 1 200 persons who departed Hong Kong (including voluntary departures and removals/deportations) having had lodged a claim for refugee status previously.

Note:

- (1) On the other hand, the Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment applies to Hong Kong. Torture claims made under Article 3 of the Convention are dealt with by the Immigration Department.

- (b) According to information from UNHCR, a claim for refugee status normally takes two to eight months to process.

As for the time between UNHCR's conclusion of a claim and the removal of the person from Hong Kong, it varies considerably from case to case depending on the individual circumstances (for example, whether the person is accepted for entry by overseas authorities). No general statement can be made in this respect.

On humanitarian grounds, the Administration, in collaboration with non-governmental organizations and on a case-by-case basis, offers in-kind assistance to asylum seekers who cannot meet their basic needs while their claims are being processed. The assistance offered includes temporary accommodation, food, clothing, other basic necessities, appropriate transport allowances, counselling and medical service.

- (c) As at end-February 2009, there were 1 058 asylum seekers whose removal was suspended by the Immigration Department pending UNHCR's final determination on their claims.

The Administration has not kept statistics on asylum seekers who have been found taking up employment in Hong Kong. Overall, the law-enforcement departments intercepted a total of 1 639 foreign illegal workers between 2006 and 2008.

Fire Safety of Waste Recycling Facilities

20. **MR CHAN HAK-KAN** (in Chinese): *President, it has been reported that in the past few months, several fires broke out at waste recovery yards which produced a lot of dense toxic smoke and also spread to residential areas nearby. At present, many waste recovery yards are situated in open space in the rural areas of the New Territories and do not have adequate fire service installations. The Hong Kong Fire Services Department (FSD) has indicated that waste recovery yards are not subject to the regulation of the Fire Services Ordinance (Cap. 95) unless chemicals are stored in them. In this connection, will the Government inform this Council:*

- (a) *how it assesses the fire risk of waste recovery yards;*
- (b) *whether it plans to review if waste recovery yards should be brought within the ambit of the Fire Services Ordinance; if so, of the details; if not, the reasons for that;*
- (c) *given that the financial tsunami has resulted in a decrease in the amount of waste exported, and the situation of waste accumulation at waste recovery yards is getting more and more serious, whether the authorities will introduce some temporary measures to assist recyclers in solving the problem of waste accumulation, so as to reduce the likelihood of fire at waste recovery yards; and*
- (d) *whether it will consider providing financial assistance to encourage recyclers to retrofit fire service installations at their recovery yards?*

SECRETARY FOR SECURITY (in Chinese): President,

- (a) As assessed by the FSD, the fire risk of individual waste recovery yards varies according to the type of the wastes stored as well as the environment in which the wastes are stored (for example, in open space or closed premises). Generally speaking, FSD considers normal wastes (such as paper and metal) that are kept in open waste recovery yards have lower fire load and risk. The fire risk will increase when the same are kept in roofed structures inside the recovery yards. The fire risk will become very high if the wastes are dangerous goods. The recovery yards concerned must meet all fire safety requirements under the Dangerous Goods Ordinance (Cap. 295) and provide the associated facilities.
- (b) Any person who intends to operate a waste recovery yard on Government land or private agricultural land can apply for a Short Term Tenancy (STT) or Short Term Waiver (STW) leased from the Lands Department (Lands D). The application will be referred to relevant departments, including the FSD, Environmental Protection Department (EPD), Planning Department and Water Supplies Department for consideration. As far as the FSD is concerned,

upon receipt of the referral from the Lands D, it will conduct an on-site inspection to assess the fire risk involved, and advise the Lands D of the necessary fire safety requirements to be included into the relevant STT or STW. Fire safety requirements for open waste recovery yards generally include: emergency vehicular access arrangements; provision of water supplies nearby for fire fighting; and appropriate fire service installations for buildings (if any) inside the yard.

The approval mechanism for an STT or STW of the Lands D has effectively incorporated the restrictions imposed by relevant departments on the regulation of recycling materials, including the fire safety requirements of FSD. Therefore, there is no need for the Government to introduce separate legislations or legislative amendments to regulate the operators of these short-term sites.

- (c) In facing the current economic crisis, the EPD and the Lands D will, in response to the industry's request, put to auction several sub-urban STT sites for recyclers to bid for their use. This is to help them handle the recycling materials collected from local sources and maintain operation during the economic downturn.
- (d) At present, when a tender or application for operating a waste recovery yard is approved by the Lands D by means of an STT or STW, the fire safety requirements have already been set out in the STT or STW concerned as a lease condition to be observed by the operator. Hence, the operator should bear the cost of fire safety installations and equipment. Nevertheless, the EPD has launched the EcoPark project in recent years to provide sites for local environmental industry to set up waste recovery yards. The sites are equipped with basic infrastructure, including fire service installations, and the Government charges the tenants at affordable rents to reduce their operating costs. We believe that such an arrangement will be helpful to the industry.

PRESIDENT (in Cantonese): I am glad that Ms LI Fung-ying has come back to attend our meeting. I wish her a speedy recovery.

MS LI FUNG-YING (in Cantonese): Thank you, President. I thank all Members for your support. Thank you.

BILLS

Second Reading of Bills

Resumption of Second Reading Debate on Bills

PRESIDENT (in Cantonese): Bill: Second Reading. The debate on the Second Reading of the Appropriation Bill 2009 resumes at this meeting, and Members will be speaking today and tomorrow.

Up to 9am today, a total of 29 Members have replied to the Clerk's notice and indicated their wish to speak today. Members who wish to speak today will please press the "Request to speak" button.

According to the Rules of Procedure, each Member may speak up to a maximum of 15 minutes. I am obliged to direct any Member speaking in excess of the specified time to discontinue.

Subject to the number of Members waiting to speak, I will suspend the meeting around 7pm today.

APPROPRIATION BILL 2009

Resumption of debate on Second Reading which was moved on 25 February 2009

MS LI FUNG-YING (in Cantonese): President, thank you for allowing me to be seated when I speak.

President, the entire global village has gone through an extraordinary year in 2009. The global financial crisis triggered by the credit crunch in the United States has far-reaching impact. Concerning in what state the global village will move on after the financial crisis, as we do not have a crystal ball to look at the future, we can hardly find an answer. However, there are two points that we can

be sure of: First, the era of prosperous capitalism sustained with financial tricks in the past will come to an end; second, the influence of our country in the world will grow. These two changes are both impacting on and bringing opportunities to Hong Kong. In this mutable time, one can say that the preparation of the Budget by the Financial Secretary is full of challenges.

In the introduction to the Budget, the Secretary said the followings and I quote: "I will provide a full, clear and honest account of our economic prospects. Through clear appreciation of the troubles we face together, we will endure and overcome them together." (End of quote) If we adopt this as a criterion in determining the success or otherwise of the Budget, undoubtedly, this is not a successful Budget. After the announcement of the Budget, the result of an opinion poll conducted by the University of Hong Kong indicated that almost 35% of the respondents were not satisfied with the contents of the Budget, far higher than those who were satisfied. Not only did the Budget fail to make members of the public endure and overcome the troubles together, it even widened the gap between the Government and members of public. Apart from the criticisms of public opinion, the attention commanded by the Budget was also short-lived. All these show that the Budget has not achieved what the Secretary expected it to.

The Budget consists of three parts: Short-term strategies, that is, measures to preserve jobs; directions for development and prospects, that is, to consolidate Hong Kong's economic pillars and promoting economic integration with the Mainland; and building a caring community, which includes everything relating to people's livelihood. Taking this opportunity of today's debate, I will express my views.

The Secretary has emphasized from the outset that preserving jobs is the most important task in the Budget. However, I think that the principles behind the Secretary's measures to preserve jobs are wrong. The Secretary said, "In a financial crisis, having a secure job is like an anchor that provides stability to a ship in rough seas. The best way to preserve jobs is to improve our economy." Fortunately, the Secretary is not a member of the Government Flying Service (GFS), although he can influence the resources of the GFS. According to the Secretary's analogy, if the Secretary were to rescue a drifting vessel in a tempest, the Secretary would just think about how to repair the anchor but he would not bring along any life buoy with him. He also would not prepare a rope to winch the crew members to the helicopter. This is because the Secretary thinks that the anchor is the best means to stabilize a vessel in a tempest. However, without

any life buoy or lifeline, even if the Secretary could eventually stabilize the vessel, it would only be an empty vessel as all the crew members would have been washed away by the waves. I am not saying that one should not use an anchor to stabilize a vessel. However, it is absurd to try to rescue a drifting vessel with just an anchor. Regrettably, the Government's efforts to preserve employment are really so ridiculous. Save for the so-called 62 000 jobs and internship opportunities, there is neither life buoy nor any lifeline to save the members of the public from their plight.

At the Special Meeting of the Finance Committee, the Secretary for Labour and Welfare was asked about how the unemployed could be assisted. He indicated that apart from the 62 000 jobs and internship opportunities stated in the Budget, there was also the safety net provided by the Comprehensive Social Security Assistance. Another analogy occurred to me. A skyscraper is on fire and firemen hurry to the building, focusing on spraying water and deploying emergency air cushions to let the victims jump down to make their escape. When a fireman requests the commander to send team members into the scene to rescue people, the fire commander responds, "We have a safety net. If people in the scene cannot stand it, they will jump down. Now, the key is to put out the fire, so there is no need to send a rescue team in." The job market is just like a skyscraper on fire. The unemployment rate has gone up to 5% already and it will continue to deteriorate. Secretary CHEUNG refused to introduce unemployment assistance and his argument is just the same as the commander who refuses to send a rescue team to save people.

In view of the present financial turmoil, various political parties and groups in the Legislative Council have proposed the introduction of some sort of unemployment assistance. My position on the introduction of unemployment assistance is very clear. All along, in this Council, I have repeatedly urged the Government to set up an unemployment loan fund. To date, I still think that such an unemployment loan can strike a balance among helping people who have suddenly lost their jobs, not subjecting the public funds to immense pressure and maintaining confidence in society. This point is particularly important in times of economic turmoil. I am glad that I am not performing a solo act this year as other Honourable colleagues in this Council also raised similar requests. I hope that the Government can change its attitude of hearing without listening and take the relevant proposals into careful consideration.

The Budget proposed in a high profile the creation of 62 000 jobs and internship opportunities but it cannot act as a shield for refusing to introduce unemployment assistance. In fact, the Financial Secretary also admitted the limitations of these jobs and internship opportunities. In responding to criticism, he even suggested unemployed people who could not benefit from the Government's measures could borrow from banks. This is the modern version of the ancient muddle-headed emperor who commented on the situation in which many poor people were dying of starvation, saying, "Why don't they eat some meat congee?" At present, the unemployment rate in Hong Kong has risen to 5%. Over 170 000 people are unemployed. Let us not care how effective the creation of 62 000 jobs and internship opportunities in three years will be, even if all these jobs and internship opportunities are all created this year and they are genuine jobs, they still cannot save members of the public from their adversity.

President, preserving jobs is the most important task of the Budget but there is a huge gap between the Secretary's proposals and the expectations of the public. The other chapter of the Budget "Building a Caring Community" is also closely related to the public. However, although all the proposals in this chapter, from building maintenance and cultural conservation through medical and health to the elderly and women, take up nearly one third of the entire Budget, the target that these relevant measures are directed is very ambiguous, thus leading to a resource mismatch. The Government needs to care for the socially disadvantaged. However, quite the contrary, the part on the socially disadvantaged is the weakest one in the entire section on building a caring community. Regarding the measures to support the elderly, the Budget proposed to increase the fund allocation by about \$55 million to provide a total of 650 additional subsidized residential care places for the elderly. However, these 650 subsidized residential care places are lagging far behind the ageing of the population in Hong Kong, not to mention relieving the current demand for residential care places. At the same time, the Secretary also allocated \$10 million to establish an Elder Academy Development Foundation to put into practice the so-called "education for all ages". When the public resources are under great strain, should the Secretary's allocation of resources be superfluous or a timely help? It is stated in the report submitted by the Commission on Poverty in relation to the elderly policy, "Further improve our support systems for the elderly based on shared responsibility and financial sustainability, and consider more vigorous targeting in using public resources to take care of the elderly most

in need of assistance." I think that the Secretary's proposal in the Budget runs counter to the direction suggested by the report submitted by the Commission on Poverty.

On the issue of women, the Secretary stressed that the Government attached great importance to meeting the learning needs of women at the grassroots. He decided to allocate \$20 million in the coming three years to expand the Capacity Building Mileage Programme. Insofar as the majority of women at the grassroots are concerned, the so-called "Capacity Building Mileage Programme" is too far-fetched for them. According to Men and Women in Hong Kong Key Statistics published by the Census and Statistics Department in 2008, the number of working-poor women was far higher than that of men. In 2007, more than 60% of the working poor earning \$5,000 or less belonged to female labour. In 2009, Hong Kong is facing a critical economic environment. It is not hard to imagine that female labour is the first group to fall victim. Ironically, our Secretary, in claiming in the Budget that great importance is attached to women at the grassroots, is not referring to all the toils and snares they suffer at the lowest stratum of society but capacity building they hardly know how to talk about.

President, a former member of the Central Policy Unit, Mr LIAN Yi-zheng, has written in his newspaper column criticizing the Budget as a piecing together of perfunctory works from the relevant units in various Policy Bureaux. The primary and the secondary are obscure and the topics are not prioritized. I share similar views with Mr LIAN on the Budget. In fact, since the announcement of the Budget, I have always been wondering: This Budget is similar to trying to putting together the ingredients of a prescription in a Chinese medicine shop, where one can get bits of nothing but everything is adequate on its own. Is this really a declaration made by the Financial Secretary in leading members of the public in Hong Kong in embracing the challenges in the financial crisis? Or is it the case that the Secretary just wanted to be politically correct, so he just took the easy way out by packaging the Budget to fob off the aspirations of the community in exchange for more time to check the pulse and write out a prescription for the future of Hong Kong? Just as stated in the Budget, "I shall provide an update on the overall economic condition in the middle of this year We will do our best to keep abreast of this evolving crisis, and introduce effective measures to

lessen its impact." At that time, we will really see the Secretary's analysis and proposals. No matter what the reason is, I am very disappointed about this year's Budget.

I so submit. Thank you, President.

DR DAVID LI: President, we are facing extremely difficult times. Has the Financial Secretary done all that he can to steer Hong Kong through the financial tsunami? Not yet, as he himself said. Further measures may be required in the months ahead. But the Financial Secretary has chartered a course which looks beyond the immediate crisis, to the future of our great city. As such, he has done more than addressing the crisis — he has given us hope. And hope is sorely needed right now.

The trade data released last week showed that our exports have fallen by 22% in the first two months of this year. If this continues, the impact on Hong Kong will be very severe indeed. Even our large reserves will not protect us. History is littered with examples of those who failed to change as the world around them changed. We cannot afford to continue with our old ways. We must change and adapt.

In his budget, the Financial Secretary outlined a wide range of policy initiatives to help Hong Kong change and adapt. From the "three direct links" to the Green Economy, from infrastructure development to industrial policy, he has laid out a grand plan which provides the essential foundation for our future.

For all the talk about the size of the stimulus package in the United States, it is worth noting that the vast majority of funds have gone to fix systemic failures in America. Very little has gone directly to those in need.

In Hong Kong, the overwhelming majority of our funding has gone to aid our citizens. Various measures were announced before the budget, by the Financial Secretary last year, and by the Chief Executive in July.

In this budget, the Financial Secretary rightly focused on the most immediate concerns — preserving and creating jobs, and providing relief to those without. In this context, I am very much disappointed at the criticism which has

been levelled at the Financial Secretary's commitment to provide funding for internship positions. This criticism is short-sighted to the extreme.

As our economy becomes more sophisticated and more complex, a formal education no longer guarantees a job. Fresh graduates do not yet have all the skills necessary to display their full potential. The first years of a career are a time for further learning — learning how to apply the knowledge gained in the classroom. The internship programme expands the opportunities for young graduates to develop these necessary skills.

I sincerely hope that the days when a young graduate leaves school and joins a company for life are behind us. The more experience — and the wider experience — each graduate has, the better for our economy, and the more rewarding for the individual concerned.

The banking industry has been particularly hard hit by the current crisis. Key areas of business have suffered very badly. More importantly, the savings of many individuals in Hong Kong have been affected. We must work to restore confidence and trust in our financial system, and in the worldwide financial system.

The Financial Secretary highlighted the steps which the Government has taken to further improve our regulatory framework and enhance investor protection in the wake of the Lehman Brothers Minibond Incident.

After detailed discussions between The Hong Kong Association of Banks and the Hong Kong Monetary Authority (HKMA), the banking industry has agreed to implement a set of nine recommendations on the sale of structured investment products.

The Association believes that the current regulatory environment, whereby the HKMA assumes overall responsibility for the regulation of banks' securities business, is effective. Maintaining the highest standard of investor protection is a necessary precondition for the further development of Hong Kong as an international financial centre. At the same time, we must ensure that the regulatory system is simple, effective and internationally competitive.

The budget did not dwell on Hong Kong's development as a financial centre. For example, no mention was made of the ongoing efforts to further develop Renminbi business. Nevertheless, these initiatives are crucial to the future development of Hong Kong, and of our country.

The Hong Kong Association of Banks has formed a Renminbi Services Working Group, to assist Government to identify areas for further development and mutual benefit.

In line with the budget's pledge that the Government will play an increasingly important role as a "champion", the Working Group looks forward to greater interaction with the Government in this regard.

The banking industry appreciates the Government's plan to forge ahead with efforts to extend the network of agreements for avoidance of double taxation. I raised this very point in a question at this Council some five years ago, and am delighted to see that action is now in hand.

The industry welcomes the Government's commitment to develop the bond market in Hong Kong. And as a longstanding advocate for environmental causes, the industry appreciates the Financial Secretary's stance on the Green Economy.

Members of the finance sector have noted the Financial Secretary's statement that "particular measures are needed to improve Hong Kong's regime as a platform for the growing area of Islamic finance", and welcome the commitment to introduce legislation to effect the necessary structural changes.

However, several members of my constituency have written to me to highlight that this will not, on its own, be sufficient. There must be an understanding of Shari'ah-compliant issues, not only in tax laws, but also in accounting and legal documentation, for example. There is currently little expertise in this area in Hong Kong, and certainly, no funding for training and development. If we are to be successful, this must change.

The Hong Kong Association of Banks has raised the issue of Group Loss Relief and Loss Carry Back numerous times in recent years. However, the Government appears to consider this issue closed.

Other governments are not so complacent as ours. Singapore recently extended its loss carry back scheme by increasing both the amount and the number of years which tax losses may be carried back. As such, I would be very grateful if the Government would conduct a detailed review of its position, as part of its overall review of the tax reform options.

In closing, I would like to highlight that Hong Kong officials are part of the official Chinese delegation to the G20 summit in London this week. As such, Hong Kong will play a role in the development of the emerging financial order. The financial constituency is very encouraged by this development. With our experience, we have much to contribute, and much to gain.

President, I take great pleasure in supporting the Appropriation Bill.

MR TAM YIU-CHUNG (in Cantonese): First of all, on behalf of the DAB, I will talk about our overall view on this year's Budget. Later, my colleagues in the DAB and I will express our views on specific policy initiatives.

The Budget announced by the Financial Secretary this year is put forward against the backdrop of the global financial crisis and the drastic plunge in the real economy. Since last September, the SAR Government has launched a series of plans to cope with the financial crisis and preserve jobs. On this basis, the Budget goes on to propose some supplementary measures. We think that these measures are appropriate ways to cope with the economic crisis.

According to the Budget, total government spending will reach \$301.6 billion and the deficit will be \$39.9 billion in the Consolidated Account in 2009-2010 and it is equal to 2.4% of the Gross Domestic Product (GDP). On the whole, the Government did not adopt an expansionary fiscal policy. Faced with the current adverse economic circumstances, there are views that the Government should be more aggressive in its public finance policies. However, we understand that economic situation is ever-changing. Just as it is said in the Art of War by Sun Tzu, "The art of war teaches us to rely not on the likelihood of the enemy's not coming, but on our own readiness to receive him." Hong Kong must have adequate preparation in terms of financial resources to provide for a rainy day, including any unexpected incidents and risks in the financial system and other areas relating to the economy and people's livelihood. Members should be able to recall that just a year ago, the economy was booming in Hong

Kong and the coffers were awash with money. At that time, the focus of public discussion was on how to return wealth to the people and share the fruits of economic prosperity. However, half a year later, it is another picture — the evaporation of considerable social wealth; the lack of orders for enterprises; the tightening of credit facilities by banks and the waves of layoffs and wage cuts. At the end of last year, the Government had to introduce a series of measures to ensure the stability of financial institutions and the market.

The drastic changes in the economic trend tell us that no matter how careful government planning is, one year may still be too long for a budget. In times of crisis, we have to take responsive measures and make flexible changes in view of the situation. Therefore, we think that during this very critical time, the SAR Government should make allowances for contingencies but it must also dare to make financial commitment. On the basis of the present Budget, the DAB hopes that the SAR Government will closely monitor Hong Kong's economic situation and the actual changes in society and people's livelihood in order to make timely and accurate judgments and when necessary, take more bold, focused and effective measures to alleviate the public's hardship and promote the recovery of the economy.

Regarding the assistance to small and medium enterprises (SMEs), at the end of last year, the Government implemented such new measures as allowing for greater flexibility in the amount and use of the loans under the SME Loan Guarantee Scheme and extending the guarantee period for the Working Capital Loan. However, the SME sector still reflected to the DAB recently that it was very difficult for operators of some industries to obtain loans from financial institutions. We think that there is room for the Government to step up the intensity of assistance to SMEs. In particular, the 70% loan guarantee commitment of the Government can be further increased. Moreover, the Central Government has also expanded the Individual Visit Scheme (IVS). From this month onwards, Shenzhen permanent residents can make unlimited visits to Hong Kong within one year and from May onwards, non-Guangdong residents in Shenzhen can also apply for IVS endorsements in Shenzhen to visit Hong Kong. In order to maximize the stimulation of expanding the IVS on the Hong Kong economy, the Government has to do a proper job in providing relevant complementary support, including adding more scenic spots, improving existing facilities as well as improving the supervision and self-regulatory system of the service industry to ensure service quality. Only in this way can we attract visitors under the IVS to make multiple visits. Here, the DAB also proposes to

the SAR Government that it should consider discussing with the Central Government as soon as possible the raising of the duty-free concession for mainland visitors for shopping in Hong Kong for self-use. At present, the Mainland Customs has quite a lot of restrictions on articles brought into the Mainland by its residents. When the quantity of the relevant articles exceeds the quantity for self use or exceeds the quota that local residents are allowed to bring back each year, they have to pay the tax or they will be dealt with by way of confiscation and a fine. In order to encourage visitors under the IVS to spend in Hong Kong, we hope that their duty-free concession on self-use items bought in Hong Kong can be appropriately increased.

In the Budget, the Secretary pointed out that the past practice of enterprises moving ahead of the Government may not always suit the development that the Government must have greater involvement in both regional economic planning and national strategic positioning and that the Government will play an increasingly important role as a "champion". The DAB agrees with the Secretary's new argument. All along, the DAB thinks that the SAR Government should play a more proactive role in economic development. In order to play such a role properly, the SAR Government and its officials must have a macro vision and be committed to increasing the ability to carry out long-term policy studies and planning and at the same time, be daring to make decisions and take actions to lead the community of Hong Kong in going forward.

When thinking about the long-term public fiscal policies and the direction of social and economic development of Hong Kong, apart from considering the current global financial crisis, we also cannot ignore the latest reforms, developments and strategic planning of the Mainland. In the Budget, the Secretary mentioned the "Outline of the Plan for the Reform and Development of the Pearl River Delta" (The Outline). Also, the State Council has recently approved the plan to speed up the development of Shanghai as an international financial and shipping centre. These new developments may have more far-reaching effects than the financial crisis on Hong Kong. The DAB is of the view that the SAR Government has to redouble its efforts in laying down clear strategies and plans for Hong Kong to address the issue at an early stage in order to seize the opportunity and consolidate our strengths. We do not want to see that the officials of the SAR Government are purely concerned about the issues before us nor do we wish to see only confrontations and deadlocks between the legislature and the executive. It is only a waste to expand our time and energy on internal political disputes or even on the war of words. What Hong Kong needs is the greater ability to handle emergencies and take action.

According to the Outline, the Pearl River Delta (PRD) Region will strive to effect the restructuring of industries and the development of capital- and technology-intensive industries. Moreover, it will also strive to develop a modernized metropolitan region and significantly upgrade the infrastructure. How can Hong Kong respond to this? Recently, the MTR Corporation reached an agreement with the Shenzhen Municipal Government on a project in the Build-Operate-Transfer (BOT) mode for Shenzhen Metro Line 4. This example shows that Hong Kong still possesses quite a lot of advantages in its services and products. We can participate in the development on the Mainland by making contributions in financing and technology. This can yield investment return and help the region implement its plan on reform and development. In the case of the MTR Corporation, we also notice that the Hong Kong Government has made capital investment in the MTR Corporation itself. In other words, the co-operation between the Hong Kong and Shenzhen authorities this time around is to some extent an investment of the Hong Kong Government. In the future reform and development by the PRD Region, can the two governments experiment on other more progressive forms of co-operation, so as to bring about a more desirable win-win situation for Hong Kong and the PRD Region? I think this is a subject the SAR Government should explore actively.

For example, from the perspective of its development as an international financial centre, it is entirely possible for Hong Kong to capitalize on its expertise in financing to mobilize global capital to provide financing and loan facilities for the restructuring of industries and the development of infrastructure in the PRD Region. This will benefit not just the development of the PRD Region but also expand Hong Kong's financial services and consolidate Hong Kong's position as a financial centre. Furthermore, Hong Kong also has great advantages in vocational training, for example, in the training in specific areas of expertise such as the clothing industry and the construction industry. We can introduce this kind of vocational training into the PRD Region to train local intermediate professionals. There may be greater room for development in this regard than providing university education on the Mainland.

The co-operation between the two places in the finance and service industries will certainly be subjected to quite a few restrictions from the current policies on the Mainland. It was understood that the spirit of the Outline is to "operate at an early stage and on a pilot basis". So long as the governments of the two places can maintain close contact and communication to explore and identify opportunities together, both parties can formulate some policies and

lobby the Central Government to let them operate some pilot schemes. In fact, various governments in the PRD Region have already established offices for early pilot implementation and conducted specific studies according to their industrial development plan, so as to propose early pilot implementation policies. The DAB does not wish to see Hong Kong and Guangdong are still taking care of themselves only. We think that there should be a corresponding unit at a higher level on the part of the SAR Government to study and explore together with the Guangdong side, with a view to seeking opportunities for early pilot implementation of some policies.

President, being a former Chairman of the Elderly Commission, I wish to talk about the demand for residential care homes for the elderly and for people with disabilities in the area of welfare. In January this year, the Legislative Council passed the amendments to the motion "formulating a comprehensive elderly policy" proposed by me on behalf of the DAB. One of the items is to request the Government to increase the number of places in subvented residential care homes for the elderly and improve various community-based elderly care services. The Budget has also made a response to this by increasing 500 enhanced bought places and 150 nursing home places in this fiscal year. However, although this is the first time in the past five years that a relatively great increase is made, the DAB strongly demands that the Government continues to increase its commitment to residential care home services because this is the most important item in the issues that the elderly are most concerned about. As at the end of last year, a total of 17 811 elders were waiting for care-and-attention places in Hong Kong. On average, they have to wait for 21 months before admission. A total of 6 418 elders are waiting for nursing home places. However, at present, the Government can only provide 1 887 places. Therefore, the waiting time is as long as 40 months on average. Of course, the Government may say in response that a number of elderly people in the waiting list are already receiving government subsidies and services in various forms, such as community care services or using CSSA payments to pay the fees of private residential care homes. However, statistics still show that 56% of elderly people are not receiving any assistance from the Government at all. Therefore, the Government must expedite the construction of new homes and increase the number of bought places. It must also strengthen the regulation of private residential care homes with a view to improving the service quality of the over 42 000 places in private residential care homes other than the bought places.

Compared with the problem of the places in residential care homes for the elderly, the problem of places in residential care homes for people with disabilities is even more serious. Currently, the waiting time for a place in care and attention homes for severely disabled persons is 39 months, the waiting time for a place in hostels for moderately mentally handicapped persons is 48 months, the waiting time for a place in hostels for severely mentally handicapped persons is 78 months (that is, six and a half years) and the waiting time for a place in hostels for severely physically handicapped persons is 90 months (that is, seven and a half years). To these more than 4 000 people, this is a painful wait. Apart from increasing the number of new rehabilitation service centres, we hope that the Government can make reference to the mode of elderly services by immediately introducing an enhanced bought place system in respect of the residential care homes for people with disabilities in order to provide more subsidized places more expeditiously.

President, I so submit.

MR ANDREW LEUNG (in Cantonese): President, faced with the financial tsunami, just like many other places all over the world, Hong Kong has also suffered from the unprecedented impacts. We can see quite a number of failing factories; the crumbling retail and catering industries; more and more vacant shops on both sides of the streets; the growing number of bankruptcy petitioners, and the rising unemployment rate. In the past couple of years, we often heard predictions about when the Heng Sang Index would rise to tens of thousands of points. Now, no one would come forward to act as a "stock prophet" any more. We can only hear some people say, "The worst has yet to come." Even Chief Executive Joseph YAM also wrote in an article, "I would advise everybody to hold tight and fasten their safety belts."

Recently, the State Council has proposed to develop Shanghai by 2020 into an international financial centre which is commensurate with the economic strength of China and the international status of Renminbi, as well as an international shipping centre with the capacity of allocating global shipping resources. All of a sudden, Hong Kong seems to have just awakened from a dream and finds its status as an international financial centre being threatened and without knowing it, Shanghai is catching up fast.

Looking back at the past decade, the market has actually given us many warnings. However, for one thing, we have all along not noticed them; for another, we have not seized the opportunities to upgrade Hong Kong. Of course, I agree with many financial experts and economists in that the vast China market can absolutely accommodate one to two international financial centres. However, we still should do our job properly by helping Hong Kong move forward, rather than remaining where it is, still less should it go backward. Therefore, I hope everyone in Hong Kong can grab hold of this opportunity and must not waste time on internal disputes and arguments. The SAR Government, the Legislative Council and each and every single member of the public who calls Hong Kong our home should make concerted efforts to help ourselves out of this economic mire.

President, in October last year, the Federation of Hong Kong Industries (FHKI) was already very concerned about the cash flow problems of the small and medium enterprises (SMEs). Apart from issuing warnings, we also discussed with the SAR Government, the Guangdong Provincial Government and banks (including mainland banks) with a view to coming up with a solution. Although it seems that the Budget has not put forward any new proposal to assist SMEs, we can see that since last October, the SAR Government has gradually started to do a lot of things. They include increasing the guarantee commitment and guarantee ratio under the Loan Guarantee Scheme and launching the Special Loan Guarantee Scheme. There has also been a rising trend in the number of applications received and approved through banks. I can see that the schemes have helped quite a few enterprises which have all along been faring well.

Currently, enterprises need cash flow against a background of continuing uncertainty about the economy. The Government should respond to the needs of enterprises and conduct a review of how to improve the shortcomings of the two existing loan schemes as soon as possible in order to have them standardized, so that enterprises and banks can make better use of them. On entering March and April, manufacturers will be receiving more orders gradually. It is necessary for us to have more cash flow to settle the wages and the procurement of materials. We hope that the Government can increase the strength of the Loan Guarantee Scheme by raising the amount to \$30 million and the government guarantee ratio to 80% or even 90%. The Hong Kong Export Credit Insurance Corporation also has to make adjustment to avoid situations in which companies are unable to take out insurance policies, resulting in their failure to take orders. Regarding SMEs,

in particular, the catering and retail industries, the Government has to improve the schemes operated by the Trade and Industry Department as soon as possible, in order to protect SMEs more actively by helping them prepare more ammunitions to cope with the second wave. Both the Chief Executive and the Financial Secretary say that we have to "support enterprises and preserve employment". I hope that the authorities can do something more for SMEs, which hire over a million employees, in order to protect SMEs and preserve the jobs for 50% of the total number of wage earners in the territory.

The Internship Programme for University Graduates is one of the focuses for the Financial Secretary this year. Regarding this programme, both the FHKI and I think that it has neglected associate degree and higher diploma graduates, who also are tertiary graduates and the number of these graduates is far more than university graduates. Last year, the Vocational Training Council (VTC), of which I am the Chairman, found that the employment rate for 2008 graduates dropped 6% when compared with that of 2007 graduates. It is estimated the drop will be even greater this year. The VTC has already made substantial and specific recommendations to the Government to launch more advanced programmes for students to pursue further studies and, in view of the decrease in the number of jobs in the market, to launch job trial programmes to help graduates find more internship opportunities to enhance their competitiveness. Although the internship programme newly launched by the Government has not catered to non-university degree graduates, we are in support of and agree with the objectives of the programme.

In the past month, we can see that all discussions in society have focused on the amount of \$4,000, criticizing that the internship programme for stigmatizing university students as "cheap labour". However, the intention of the programme, which is not to put a uniform price tag on all graduates but to provide a new way out for students who have not yet found a desirable job, having difficulties in job search but wishing to have a chance to undergo internship to learn more, has been overlooked. It can broaden their horizon, help them gain experience, provide them with training and the opportunity to try their hands in enterprises, in order to enhance the competitiveness of this new force in the labour market instead of making the Government find jobs for them.

In the proposal submitted by the FHKI to the Financial Secretary last year, the relevant recommendation was also been mentioned, in the hope that during

the economic downturn, the Government could attract enterprises to participate in the training of graduates from tertiary institutions, enabling the new generation to have the opportunity to accumulate practical experience despite the job contraction of enterprises. Apart from subsidizing the internships, these enterprises also have to create internship posts and arrange for the training manpower and resources. The cost they put in is by no means lower than that of employing formal staff members. Through the participation in the internship programme, these enterprises demonstrate social commitment by nurturing and identifying talents for the commercial and industrial sectors. If the Government wants to make the programme more attractive to the business sector, it should simplify the procedures as far as possible to enable easier matching between enterprises and graduates.

I hope that graduates and various sectors of the community can have the clear idea that internships are not formal jobs and internship subsidies cannot be equated with wages. More importantly, we should not belittle the precious job experience provided by the internship programme to the students. Also, students should not underestimate what they can get from their first formal job, thinking that there is only subsidy but no wage. Students should also know that opportunities would never look for people. We must take the initiative, strive for and seize the opportunities. The business sector is always having a keen demand for talents and is also prepared to pay a lot for them.

I am pleased to see that the Budget this time has talked at length about our industries. It proves that the efforts of the FHKI and mine in the past year in demanding that the Government promotes our industries have finally been acknowledged. I am very glad to hear the Secretary talk about the Hong Kong Science Park and say that the development of the first two phases of the Science Park has been a great success. It has attracted a number of technological companies to set up their research and development bases in Hong Kong, thereby achieving the purpose of developing local technological enterprise clusters. The FHKI hopes that the Government can complete Phase 3 of the development project as soon as possible and take forward the expansion project, so as to enable the Hong Kong Science Park to attract more local technology-based enterprises to aggregate in the area. Scientific research talents from all over the world may even exploit this advantage of Hong Kong and use Hong Kong as their development platform.

I think that in the promotion of the technological, creative and green economy, apart from continuously improving the funding schemes under the

Innovation and Technology Fund, the Government should also provide appropriate tax incentives. Many countries throughout the world have adopted a policy of giving relevant tax incentives and experience has shown that it is very effective in encouraging enterprises to innovate. The Government should make reference to the successful experience of these countries and nurture a creative culture in enterprises on all fronts.

Take Korea as an example. The "Design Korea" strategy was proposed in 1998. Within a short period of seven years, it has developed its creative industry to the extent of accounting for 6% of the Gross Domestic Product. What have they done in the past decade? In 1999, the Korean Government set up the Ministry of Culture and Tourism which involved in every cultural infrastructure, such as animations, audio-visual products and publishing. It also passed the Cultural Industry Promotion Act and set up the Cultural Industry Foundation to provide loans to innovative cultural enterprises. The Government also held the First Industrial Design Convention, in which the target of being a design-advanced country to be achieved in five years, was declared. In 2001, the World Design Congress was held in Korea. The Korea Design Centre was established with investment from the Government. The Industrial Design Special Committee was set up to support industrial design activities by means of co-operation between the Government and the business sector. Between 1998 and 2005, the Korea Institute of Design Promotion put in a great deal of manpower and resources to promote training activities and publicize Korea-designed products overseas. What is the result? Members can get a sense of it by looking at the Korean brand-name products, drama series and films, and so on, around them.

Over the years, the FHKI has always proposed that the Government should triple the tax deduction for enterprise expenditure on research and development, product design and brand-name building, so as to encourage enterprises to increase their investment in innovation and technology. We hope that the Government will consider this seriously and introduce the measure as soon as possible.

To regain momentum in growth, the Hong Kong economy cannot only rely on the four pillar industries. Hong Kong must have a more diversified industrial structure, in which creativity matches with traditional industries to head towards the high value-added trend, coupled with capitalizing on our advantages in law and shipping in the region which align with the rest of the world. Only in this

way can economic fluctuations be minimized. Therefore, we welcome the Government's plan to review the functions of industrial estates and tie in their positioning in the light of the fact that future industrial development in Hong Kong will place more stress on high value-added activities such as research and development, product design and brand-name building. In addition, I have to repeat the proposal that the FHKI has advocated for a long time, that is, we hope that the Government can establish a high-level industrial development committee as soon as possible to devise an overall strategy to promote and support the industrial development in Hong Kong and the Mainland, as well as make use of the robust intellectual property rights regime in Hong Kong and the reputation of product quality and safety in the international market, coupled with complementary policies, to promote the development of innovative and high value-added industries in Hong Kong.

I can see that the Financial Secretary also attaches great importance to a green economy. In the past few years, the industrial sector has invested a great deal of resources in the development of green industries and products and in energy saving. With the assistance of the Hong Kong Productivity Council, it has also promoted clean production. We have also taken the technologies to the production bases in the Pearl River Delta Region. I hope that the Government can do more in the future to assist the sector in embarking on this green journey.

Lastly, I wish to talk about the MyCar, which has been mentioned by a number of Members in the meeting of the Finance Committee last week. This is an electric vehicle jointly developed by the industrial sector in Hong Kong and The Hong Kong Polytechnic University. I have made enquiries with the manufacturer of the MyCar and learnt that they have been communicating with the Transport Department on the issue of the absence of any licences for mini vehicles in Hong Kong. Therefore, the MyCar can only be used on the roads in Europe but it cannot get a Hong Kong vehicle registration licence. The manufacturer of the MyCar told me that there were in fact many public and private organizations in Hong Kong that were very interested in this vehicle. The MTR Corporation Limited has already purchased three prototype vehicles and obtained the SPV (special purpose vehicle) licences to enable them to be used within a prescribed area within its depot. However, I hope that the authorities can do a bit more by taking the initiative to figure out a way to grant a licence to this vehicle, so that it will not be wasted in being treated as a big toy in a depot.

President, I think the authorities are also aware that the manufacturer of the MyCar has already got an invitation from the management company of Discovery Bay to conduct a test drive there, with a view to exploring the possibility of beautifying and enhancing the overall quality of the environment by using electric vehicles within a small zone. Hong Kong is a small city. It is very suitable for electric vehicles and the cost per mile of electric vehicles is lower than that of petrol vehicles. So long as they are widely used by the public, Hong Kong can become a "showroom" of electric vehicles to the world. It is the Government's plan to develop Kai Tak into a green living area. Electric vehicles are precisely the ideal means of transport. The MyCar is developed by Hong Kong and it will be formally used on the roads in Europe this year. If it can be used throughout the world but not in Hong Kong, it will make Hong Kong a laughing stock of the world.

Recently, in the Legislative Council, both the Financial Secretary and the relevant Bureau have indicated their support for the development of electric vehicles on many occasions. While the sector is delighted to hear that, it also wants to ask me to convey to the Government the difficulties they are currently facing, such as the absence of any professional runway in Hong Kong for test drives and the fact that high land costs hinder the establishment of a quality control centre or even an assembly centre by the automobile industry. Vehicle manufacturing requires the support of many parts and accessories. Hong Kong is doing quite a good job in this regard. I hope that the Government can provide assistance in their development as soon as possible. In fact, last Monday, some members in the industry indicated their earnest wish to assemble and manufacture a sports car in Hong Kong.

In the end, I keenly look forward to the early launch and expeditious implementation of the various measures in this Budget to "support enterprises and preserve employment" by the Financial Secretary, so as to help Hong Kong overcome the financial tsunami and find new economic drivers for the future economic development of Hong Kong.

President, I so submit.

MR WONG KWOK-HING (in Cantonese): President, the Budget published by the Government every year is closely related to people's livelihood. In particular, at a time of assault by the financial tsunami, it is the basic

responsibility of the directly-elected Members of the Legislative Council to monitor the optimal use of public funds by various government departments to help the public counter the economic downturn. For this reason, I have examined the Budget in a serious and strict manner.

After the release of the Budget, I have gone into the midst of the grassroots to listen to the views of the public. I organized six consultation forums for the grassroots in New Territories West. After summarizing the queries raised and suggestions made by the public, I put forward about 80 written questions to the relevant government departments. On oral questions, last week, I attended the five-day special meeting of the Finance Committee of this Council and in a total of 20 sessions, I used the precious five minutes question and answer time in each session to ask various relevant Policy Bureaux oral questions. Sometimes, if I was lucky, I could even get the chance to ask a second round of questions. I asked various government departments a total of 28 oral questions.

President, the focus of my questions was on how government expenditure amidst the financial tsunami could preserve jobs and ease public hardship. I hope the Government can break down the walls among various bureaucratic departments and do away with their practice of implementing their own policies, so as to seriously jump-start the various government department machines, strengthen the co-ordination among various departments, and pool together their advantages and resources. Only in this way can the goal of so-called "assuring people's livelihood and preserving jobs" proposed in the Budget be achieved. Then there can be greater punch, speed, scope and efficiency in preserving jobs and easing public hardship. For this reason, I believe that preserving jobs and easing public hardship is not just a job for the major departments under the Labour and Welfare Bureau, the Development Bureau and the Civil Service Bureau, but also something on which all government departments should do their utmost.

President, the Budget this year has responded to the demands of the FTU for a reduction of the salaries tax, a reduction of the rents of markets and car parks, a waiver of rates and a freeze of government fees and charges, so as to ease the burden on the public. The Budget has given some responses but we think the strength is not enough and it can be said that this is merely scratching the surface. In particular, the rent of public housing has not been reduced or waived. President, the latest figures published by the Census and Statistics Department on 24 March indicate that the number of households with a monthly

income below \$4,000 has increased drastically to 35 000 in the past month, and the increase is 22.7%, close to the level during the SARS outbreak in 2003. At present, there are a total of 192 000 households earning less than \$4,000 per month in Hong Kong, so it can be seen that there is further impoverishment. Moreover, such a trend can be observed mainly among residents of public housing. When the economy was good last year, the Government still reduced the rent. The economic conditions are adverse this year and the public are leading a very hard life. There was recently even a run on the food banks supported by the Government. It can be seen that under the financial tsunami, the Government should immediately reduce the rent paid by public housing residents to ease their hardship. In the special meeting of the Finance Committee, the Bureau concerned agreed to refer this request of mine to the Housing Authority for discussion. I hope that I can hear the good news of a reduction in public housing rental at an early date.

President, in addition, the FTU has been striving for two consecutive years for a reduction in market rent. This time, the Government has waived and reduced the rent of markets and car parks, but only for a quarter and by 20%. I believe this amounts only to a drop in the ocean and can be considered half measures. For this reason, I hope the authorities will consider again offering a bigger waive and reduction, and extending the period. Separately, the Fire Services Department under the Security Bureau is scuttling the efforts of the Government in helping local small businesses. At the same time as the Government announces a reduction in rent, the Fire Services Department is giving stall owners in markets a difficult time by requesting them to remove their awnings. If they want to install an automatic sprinkler system, they have to dig into their own pockets and spend between \$6,000 and \$10,000. This is tantamount to "the right hand hitting the left hand". How can the Government do this? I hope the Security Bureau will instruct the Fire Services Department to stop posing obstacles to these small business operators in public markets immediately, so as to help them tide over the hard time and do something good.

President, on increasing the intensity of the measures, boosting co-ordination among government departments, increasing efficiency and improving employment, first, I have to say a few words to the largest employer in Hong Kong, that is, the Government. I welcome the response given by the Civil Service Bureau to the request of the FTU to abolish the ceiling of 160 000 civil servants by taking the lead in hiring more civil servants in view of the actual need. In this year, the net growth in the number of civil servants is 0.9% and the

actual number of long-term civil servants employed is 1 530. The Secretary also undertook to maintain the level of non-civil service contract staff employed at 14 000 people each year. We welcome this move and this is indeed a measure to preserve jobs. However, I must further point out that the Government has to consider the criticism of the Ombudsman, that is, the Government's implementation of the contractization and outsourcing will deal serious blows to morale and the responsibilities that should be rightly borne by various departments will be shifted to other people. Moreover, this will also lead to a decline in quality, for example, in areas such as water seepage and leakage in buildings, rodent nuisance, hygiene and tree conservation. There has been a deterioration in quality due to outsourcing and contractization. For this reason, I hope very much that the Government will stop further outsourcing and contractization. I am happy to learn from the Efficiency Unit that in the coming year, there is no outsourcing plan for the time being.

President, regarding the unemployment rate, it is rising steadily like sesame stalks that put forth flowers notch by notch, going higher and higher. The Labour and Welfare Bureau said that in the next three years, it would spend \$1.6 billion to create 62 000 jobs and training opportunities. If we break the figure down, in the first year, there will only be 32 793 jobs. President, at present, we must put out the fire and keep jobs. If we want to put out the onset of a fire, the first battle is very important. Why is it necessary to deal with this matter in a span of two to three years? Why not provide 62 000 jobs in the first year, so as to put out the onset of a fire? The economy may recover next year or the year after next, so I do not understand why the Government has such rigid mentality. I wonder if this is due to the restrictions imposed by the financial envelopes. I hope I can have an explanation from the Government. I think that it will be more practical to put out the fire by pooling the resources earmarked for the next two to three years to achieve the results within this year.

Furthermore, on the refusal of the Bureau concerned to establish an emergency unemployment relief fund suggested by the FTU, we wish to express our disappointment. The Bureau concerned also has not conducted any study on a comprehensive retirement protection scheme and a universal pension scheme in response to the ageing population and the problem of poverty, so I also wish to express my disappointment. I hope that the Government can listen to these views. Today, in the public gallery, many elderly people have come here to

stage a petition. They are campaigning for the establishment of a universal pension scheme. They are certainly not doing this for themselves but for the next generation. I hope the Government can give this matter consideration.

President, when it comes to employment, it is inevitable that the issue of taking transport to go to work will be raised. This involves the issue of transport subsidy. At present, about 29 000 people are receiving this subsidy and the scheme will expire in June. However, the Government indicated that a review would not be conducted until July. How can these 29 000 people give up their jobs and wait for the results of the review conducted by the Government before applying for the subsidy again? This is impossible, so why is it so rigid? Can the Government allow the public to put their mind at ease and continue to receive the subsidy, and further plans will be made only when results from the review are available? Only in this way will it truly be listening to public opinion, sympathizing with public sentiment and understanding the difficulties of the grassroots. I hope the Government can hear my appeal and stop being so rigid.

In addition, the transport policy is also incompatible. According to the latest survey, although there is already a mechanism in place for the reduction of bus fares, the Government says that a review will not be conducted until six months later. If bus fares can be reduced immediately, perhaps the public will not care too much about the transport subsidy. If the Government, as the biggest shareholder in the MTR Corporation, is willing to listen to our views and offers the concession of monthly tickets, as in the case of the West Rail, and the concession of monthly tickets are available for all railways instead of the West Rail alone, everyone will be very happy. However, President, after the expiry of the West Rail One-Month Pass offer in June, it will no longer be available in July. We can see that these transport concessionary measures to assist members of the public in employment will expire in the middle of the year and will not be continued. Should we be very anxious about the transport subsidy? Concerning the Government's failure to give material responses, the public is very angry. I hope the Government will listen to public opinion and understand public sentiment instead of separating itself from the grassroots.

President, having said so much, I think all the departments concerned have to share the responsibility. The Environment Bureau, the Food and Health Bureau, the Home Affairs Bureau, the Security Bureau and even the Financial

Services and the Treasury Bureau and the Commerce and Economic Development Bureau should not regard the preservation of jobs as something unrelated to them. Due to the time constraint, I will not elaborate in detail because I have already pointed out the relevant issues in the question and answer session last week. Therefore, I do not want to repeat.

President, lastly, there is a complaint from the public that I must convey to the President. I organized a consultation forum on the Budget in Tung Chung and a resident there took his son along to the forum. He severely criticized the exchange of abusive language in the Legislative Council of late and the non-compliance of Members with the order in the legislature. This resident asked how he was supposed to teach his children. At that time, I could only express my profound apology to him, saying that it was deeply regrettable that such anomaly had occurred in the Legislative Council.

President and Honourable colleagues, I sincerely hope that Honourable colleagues in the legislature will care about their next generation. As Members of the Legislative Council, they should set an example to avoid using abusive language and must follow order. President, I believe that it is possible to wage struggles even without using abusive language, and even without vulgarity, it is still possible to campaign for something successfully. I hope Honourable colleagues in this legislature can respect themselves, carry out self-examination and exercise self-discipline. They should not become vulgar Members using abusive language. I hope all of us can do good deeds and dispense charities by saying no to indecent words and actions. Thank you, President.

MS MIRIAM LAU (in Cantonese): President, since the onset of the financial tsunami in September last year, the global economy has taken a turn for the worse and the Hong Kong economy, which is externally-oriented, naturally cannot be spared from this crisis. After six months, the situation is still very volatile and the unemployment rate is still rising. Although in recent days, it seems there are some slight rebounds in the stock market in Hong Kong and also some signs of the property market heating up, I am afraid these good signs will only be transient in nature and will not last.

The Budget this year says right from the outset that the goals are to "support enterprises, preserve jobs and alleviate people's hardship". However, in reality, there is a complete lack of substance regarding these three goals in this

"bloated" Budget and the results that can be achieved have even been exaggerated. For this reason, the Liberal Party has given this Budget a grade that is verging on failure long ago.

True enough, the Liberal Party found in an opinion poll conducted from last Tuesday to this Monday that only about 45% of the respondents gave the Budget a pass and only 35% of them gave it a bare pass. The Budget says that it is necessary to preserve jobs, but over 60% of the respondents thought that it could not get a pass in this regard, so it scored the lowest grade here. Respondents who believed that the Budget could help counter the financial tsunami only accounted for around 35%. As regards revitalizing the economy and relieving the hardships facing the public, less than 50% of the respondents gave it a pass. However, respondents who supported the introduction of additional measures in the middle of this year to help the public counter the economic downturn stood at close to 80%. In fact, public opinion is all too obvious and I hope the SAR Government can give it a response properly.

In order to counter the economic recession caused by the financial turmoil, the governments of various countries have racked their brains and launched mega bailout measures, and the measures taken are swift and powerful. For example, the OBAMA Administration of the United States had come to power for less than 100 days before it rolled out a US\$1,000-billion-plus package to revitalize the economy and save the property market, whereas on the Mainland, apart from the introduction of an economic stimulus package costing RMB 4,000 billion yuan earlier on, an additional capital of RMB 1,180 billion yuan will also be injected to carry out public construction, as well as ecological, environmental and major infrastructure projects. Premier WEN also said that he had prepared adequate "ammunition" and would propose new economic stimulus policies at any time, so as to boost confidence among nationals and in the market.

If we look at Hong Kong, yesterday, the Government announced its financial position in the first 11 months. The coffers are in possession of \$536.1 billion in fiscal reserves and the surplus amounts to \$43.2 billion. Even if we deduct the funds earmarked for the injection of funds into MPF accounts, the Research Endowment Fund and the reconstruction projects in Sichuan, which amount to about \$31 billion, there is still ample "ammunition" to save the economy. However, the Financial Secretary is clinging onto this sum of money, saying all the time that we have to look clearly first. This approach is just like a small crack on a wall which, if not repaired at an early stage, will either incur

more money in making repairs in the future or the wall will collapse sooner or later. Therefore, I believe the Government must introduce additional measures to save the economy as soon as possible. Otherwise, the situation will only deteriorate because social contradictions would be more marked and it would be too late to introduce any measure by then. For this reason, the Liberal Party believes that the Government should at least allocate an additional \$28 billion in resources to boost the efforts to save the economy, including suspending the payment of the provisional profits tax and salaries tax for this year, increasing the guarantee ratio of the Government for the small and medium enterprises (SMEs) to 90%, issuing consumption vouchers, increasing the number of jobs benefiting the middle class and establishing a growth fund to assist the middle class in being value-added and switching to other trades, so as to ease the hardship experienced by the middle class and SMEs.

Next, I will focus on ways to increase employment opportunities, in particular, how to assist unemployed members of the middle class. As regards ways to ease the difficulties facing SMEs, use consumption vouchers to revitalize the economy and assist SMEs in financing, I will leave them to my two Honourable colleagues from the Liberal Party, Mr Tommy CHEUNG and Mr Vincent FANG, to explain them in detail.

President, the latest unemployment rate in Hong Kong has soared almost to a new three-year high and has reached the 5% level. Furthermore, it surely has not yet reached as high as it can get. The difference with the unemployment situations in the past is that this time, many of those affected are members of the middle class. For this reason, we propose that the payment of provisional taxes for this year be suspended. This proposal can be said to hit two birds with one stone. SMEs and people in the middle class will have a sum of money to meet their urgent needs. When SMEs have greater liquidity, we believe this will reduce instances of winding up and closure, so more jobs can be retained. As regards people in the middle class, even if they are unemployed or are forced to take no-pay leave, they can still have a sum of money to meet urgent needs and there will not be any need for them to do as the Financial Secretary suggested unsympathetically, that is, when one has no money, one can re-mortgage one's property to get by.

The greatest advantage of our proposal is that it is only necessary for the Government to defer the collection of taxes for everyone to immediately have a sum of money to meet urgent needs. Next year, after people have tided over

their difficulties, the coffers will continue to receive the revenue, whereas people will be given a big helping hand now, so this is really a win-win situation. We propose that in this proposal to suspend the payment of provisional taxes, individuals should be entitled to a maximum of \$100,000 in tax suspension whereas SMEs should be entitled to a maximum of \$5 million in profits tax suspension. It is estimated that the Government will only defer the collection of about \$18.4 billion in taxes.

Since the over 120 000 jobs and internship opportunities which the Government proposes to create are either heavily skewed towards the construction industry or suitable only to young people who have just entered the job market and the assistance given to the unemployed people in other trades, in particular, to the middle class, is very limited, we propose that the Government commits about \$1 billion to create 10 000 jobs lasting half a year to benefit the middle class, for example, jobs like tourism promotion ambassadors, civic education ambassadors and community concern ambassadors, so as to bring value-addedness to Hong Kong.

In order to help the middle class get value-addedness and switch trades, we also propose the establishment of a \$500-million "growth fund", to be allocated to tertiary education institutions to offer short-term practical courses on value-addedness lasting three months to half a year, for example, in computing and management, designed for middle-class people with tertiary qualifications or above and working experience of five years or more who are unemployed or on no-pay leave. In order to encourage them to be value-added, we propose that unemployed people in the middle class should be provided with a subsidy of \$5,000 per month and people using their no-pay leave to pursue further studies should also be provided with a subsidy of \$1,500 per month. I believe this scheme can enhance the competitiveness of the middle class and raise the quality of the working population.

In addition, to the middle class, the education of their children also constitutes a heavy burden. For this reason, we propose that a "special book and stationary allowance" amounting to \$1,000 be offered to students throughout the territory to ease the burden of the middle class.

President, in the following, I will talk about the transport and logistics industries.

During the global economic recession, since the end of last year, both air and port cargo throughputs have recorded double-digit decreases and in some cases, the decrease was even more than 30%. At the same time as business has been slack, there is also stiff competition from neighbouring regions. Larger-scale operators can still manage to pull through but many SMEs are teetering on the brink of demise. It is noted that over 300 small-scale logistics companies have closed down and of the over 10 000 trucks, 30% of them have stopped operating and more than half of them have inadequate orders. Some of the operators in public cargo working areas are also on the brink of closure. May I ask how we can preserve jobs if enterprises are failing?

However, of the relief measures proposed by the Financial Secretary in the Budget, only a 20% rental reduction for short-term tenancies for three months can benefit a very small number of operators in the logistics industry. Even for those who can benefit from this measure, the average benefit is only \$1,600 per month per tenant. Moreover, it lasts only three months. So, the strength of this relief measure is indeed very limited. If we look at other regions, subsequent to the introduction of a 20% tax reduction and a 10% tax rebates earlier on, Singapore will offer an additional 10% reduction in port duty to ocean-going vessels from today, that is, from 1 April. In addition, it is also an undisputed fact that the operating costs in Hong Kong are high. For example, the 11% rates levied on container terminals is way higher than the 1.2% levied in Singapore.

The industry hopes that the Government can increase the strength of its relief measures, for example, the operators in public cargo working areas have demanded a reduction or waiver of the rent for parking spaces and work areas, as well as entrance fees. As regards the sea transport and land transport trades, the former hopes that vessel licence fees and vessel inspection fees can be reduced, while the latter hopes that vehicle licence fees can be reduced, so that their operating costs can be lowered somewhat and they can then have more breathing space.

Apart from lowering government fees and charges, the Government can also help the cross-boundary transport industry reduce their costs in other ways. For example, for many years, the industry has demanded the standardization of the vehicle inspection standards adopted on both sides of the boundary. And, vehicle inspection is conducted only once a year, so that their vehicles do not

have to go through inspection both in Hong Kong and on the Mainland separately. They also hope that the index paid use fee and business tax imposed on cross-boundary trucks can be reduced or waived. The Government should actively discuss these issues with the relevant mainland units, so as to strive to implement these measures as soon as possible.

In view of the economic downturn, apart from focusing on relief efforts, the Government should also actively plan for the future and consolidate its strength. In order to enhance the competitiveness of the local aviation industry, the Government should expedite the construction of a third runway at the airport, increase the runway capacity and actively co-ordinate air traffic management of the airspace in the Pearl River Delta Region with mainland departments, so as to enhance air transport efficiency and capacity of Hong Kong. In addition, under the principle of achieving mutual benefit, more aviation agreements should be signed to strengthen the international aviation network.

On promoting infrastructure projects relating to the logistics industry, the problem of a lack of back-up area facing the industry has yet been solved. At a time when the construction of Container Terminal 10 has not been finalized, the Government has decided to shelve the plan to build a logistics park. These decisions have deeply disappointed the industry. Since at present there is a lack of large spaces and warehouses for logistics purposes in Hong Kong, the distribution of logistics operators is very scattered. For this reason, the industry hopes that a logistics park can be completed as soon as possible, so that various logistics and transport units can be pooled together and the logistics supply chain can be improved to provide favourable conditions to cargo distribution. Given that it is possible to construct a logistics city at a cost of RMB 800 million yuan at the Baiyun International Airport in Guangzhou, it is all the more necessary for the Hong Kong Government not to slow down and undermine our own competitiveness. I believe that the timely construction of a new logistics park and Container Terminal 10 can help turn Hong Kong into a logistics centre of excellence and strengthen its status as a transport and logistics hub.

Apart from the hardware, the software is equally important, which include well-developed laws and manpower training. In order to keep abreast of the time and enhance competitiveness, the Government should proactively examine amending the Import and Export Ordinance and the Air Cargo Transhipment (Facilitation) Ordinance, or formulate another piece of legislation to allow the

direct handling of multimodal transshipment and simplify formalities, so as to attract more consignors to use Hong Kong for cargo transshipment, thereby promoting logistics development.

Regarding manpower training, Hong Kong has always lacked a policy for the nurturing of shipping and logistics talent, especially those at senior managerial level. Each year, the number of people completing shipping courses always falls short of the industry's needs. It is hoped that the Government can provide more resources to attract more young people to join the industry. Moreover, the Government also has to enhance the training for the in-service staff to upgrade their professional competency.

Lastly, I wish to express my views on the operational difficulty facing the ferry industry. I am rather disappointed to learn that the Government could only complete the review of ferry services in 2011, that is, before the next renewal of the licences. If ferry service operators cannot see any prospect, the next round of tender exercise will attract no interest. Although the Government has introduced some helping measures, the results are not marked. For example, since 2007, ferry service operators have been allowed to sub-let premises at piers for commercial purposes to generate more revenue to subsidize ferry operation. However, bureaucratic red tape and cumbersome application procedures of various government departments have made ferry service operators recoil and the success rate has been very low.

In order to generate more non-fare revenue for ferry services, the Government should focus on revitalizing the entire Central Ferry Piers area, introducing more tourism elements, actively developing outlying island tourism, increasing the demand for ferry services and improving ferry service operation. In addition, the shipping industry strongly supports the idea of establishing a maritime museum at the Central Pier 8. Apart from enhancing the attractiveness of the pier, this can also mark Hong Kong's status as an international shipping centre.

President, I so submit.

MR ALBERT HO (in Cantonese): President, compared with last year, the Budget this year is not only disappointing, it even raises the concern that the SAR Government lacks the will and ability to govern. The spate of blunders in governance in recent years has made the popularity of the Chief Executive go

from low to low. Now, in the face of the financial crisis, the Government should do its level best to turn the situation around and turn crisis into opportunities, so as to win public confidence. If the Government still dithers and does not intervene expeditiously to save the economy in good time, when the economy deteriorates to such an extent that there is a great depression, it would be too late by then.

It is clear that the central idea of the Budget consists of the main direction of "preserving jobs", the adoption of the "counter-cyclical measures" and the principles of "pragmatism, commitment to society, and sustainability", to which the Democratic Party agrees. However, what is surprising is that the specific measures proposed in the Budget cannot reflect and put into practice the above idea at all. This gives people the impression that the Government is confused in its thinking and its actions do not match its words.

Financial Secretary TSANG should be well aware that a counter-cyclical fiscal policy or budget means that in times of economic downturn, through active intervention of the Government, a deficit budget will be prepared to expand public expenditure, so as to stimulate economic recovery. However, in the Budget this year, not only has the public expenditure not been increased, instead, it has been reduced from \$334 billion last year to \$320 billion this year. The actual decrease is 5.2%. The percentage it has accounted for in the Gross Domestic Product (GDP) has also seen a decrease instead of an increase, dropping from 19.9% to 19.4%.

In addition, in this year's Budget, although the increase in the public expenditure for infrastructure amounts to 50%, the actual expenditure on education and social welfare decreases by 23% and 4% respectively. This is clearly at odds with the principle of "commitment to society and sustainability".

President, the Government should not interpret the principle of "keeping expenditure within the limits of revenues" with its ossified thinking, still less should it stick doggedly and outdated to its miserly approach by citing the so-called principle of fiscal prudence. Since the financial turmoil in 1998, the public expenditure of the SAR Government has exceeded 20% of the GDP for five years in a row and at that time, deficits have been recorded for several consecutive years. The Financial Secretary then, Donald TSANG, who is the Chief Executive now, once said, "As long as fiscal balance can be attained in the medium term, fiscal deficits in the short term do not represent a contravention of the Basic Law." For this reason, I cannot understand why the Government overturns what it said in the past and releases such a conservative Budget.

I also remember that at that time, the Government even said that it was very concerned about the occurrence of persistent fiscal deficits and even the "structural deficits". It warned in the "Report of the Task Force on Review of Public Finances" published in 2002 that the reserve in Hong Kong might be exhausted in 2008-2009. This really is pathetically pessimistic. As we all know, in reality, since 2004-2005, the Government has continuously recorded surpluses. The surplus in 2004-2005 was \$21.4 billion; in 2005-2006, it was \$14 billion and in 2006-2007, it was \$58.6 billion. Last year, it was even as high as \$123.6 billion. For 2008-2009, it seems there will be a deficit but it is still unknown if it is as high as \$40 billion. I am also in serious doubt about whether the prediction of the Government this time is accurate because in the past, it often made wrong predictions. In sum, the surpluses accumulated from 2004 to 2007 can exactly be put to good use as the "ammunition" to counter the financial tsunami.

The economic theory of the well-know economist, KEYNES, also points out that in times of economic recession or depression, one cannot pin hope on individuals or the market to bring about a recovery because be it personal spending, investment or the import and export trade, they will all decrease continually due to the confidence crisis at such a time and this will turn into a negative so-called multiplier effect and a contraction will occur. It is only with vigorous government efforts to increase expenditure that the purpose of promoting economic recovery can be served. History has proven this theory to be correct.

We believe that the role played by the Government in the economy is twofold: When the economy is in a growth cycle, not only does the Government have the responsibility to provide adequate information to maintain a level playing field, it also has to make use of economic and financial policies to suppress the rapid formation and bursting of the economic bubble when the economy overheats. When the economy is in recession, it should give the economy a "soft landing" as far as possible to reduce the pain. At the same time, it also needs to take decisive measures to ensure that the public will not have overly negative expectation or prediction of the economic outlook.

We know that at present, most of the economic behaviour in the market is founded on expectations and predictions, and the same applies to behaviour in consumption and investment. Often, these expectations and predictions will be dictated by momentary feelings of greed or fear. We all know full well that if

there is suddenly some negative news about, say, the banking system, they may lead to bank runs. If the Government does not intervene or take preventive measures, this will lead to some very undesirable chain reactions.

Many Honourable colleagues have also mentioned just now that even the United States has adopted many measures after the financial tsunami and overturned the neo-conservatism economic thoughts it upheld in the past, and the dominant idea of the government playing only a minor role advocated in the past has now been replaced by the thinking of active intervention in the United States and a number of countries in Western Europe.

President, the Financial Secretary said a number of times that he could not introduce additional measures in the Budget at present because he had to reserve some "ammunition" for the next wave of the financial tsunami. I wish to point out once again that in fact, the fiscal reserves are more than enough and that there is already enough "ammunition" at present to take appropriate and timely measures. The fiscal reserves do not amount just to the \$480 billion in the coffers at present. The accumulated surplus of the other till of the Government, the Exchange Fund, that is, the money earned through the foreign currency reserve, also amounts to \$420 billion. Together with the other funds (the other non-cash assets have not been included), the sum of our cash reserves is more than \$930 billion. In fact, the introduction of the additional measures as proposed by the pan-democratic camp and even the Liberal Party will only cost some \$20 billion, which accounts for only a very small proportion of the fiscal reserves, not to mention the hundreds of billion of dollars of surplus accumulated in the past few years, that is, from 2004 to 2008.

In the economic crisis, all members of the public hope that the Government can introduce measures to maintain confidence. The Democratic Party has also stressed a number of times the importance of creating jobs when meeting the Financial Secretary earlier on. We believe that the goal of the Government in handing out candies last year was to return wealth to the public because at that time, the tax revenue of the Government had increased and surpluses had been recorded for several years in a row. However, we stress that in times of economic uncertainty, the effect of such measures to "hand out candies" as tax rebates or consumption vouchers will only be very limited, particularly if the public are pessimistic about the outlook, the "candies" handed out may be kept by the public by various means to serve as their reserve or savings. As a result, the

expansionary effect of wealth creation or the effect of maintaining confidence cannot be achieved effectively. For this reason, we consider the creation of jobs more effective than measures to "hand out candies".

As regards the issue of providing internship opportunities, the Budget proposes that a provision of \$1.6 billion will be made to create 62 000 such posts in the next three years. The Democratic Party has already pointed out earlier on that these posts do not live up to their descriptions because only one third of them can really provide jobs and the others are just "unsubstantial" short-term internship opportunities.

We have also pointed out that on the basis of an average monthly salary of \$7,000, creating 10 000 jobs a year will require about \$1 billion. In addition, we have also put forward the proposal of using \$13 billion to create 60 000 jobs. The Secretary should know that the recently-released unemployment rate has exceeded 5% and this year, it is likely to reach the high during the SARS outbreak in 2003. Therefore, the creation or preservation of jobs to maintain confidence is our primary goal and mission. For this reason, the Democratic Party proposes increasing expenditure to attain this goal.

We believe that if the Government is to create job opportunities, it should approach this issue from three directions: First, although in the next few years, the capital works expenditure of the Government will reach \$50 billion, many of them are large-scale infrastructure projects. For one thing, they can only create a small number of jobs. Moreover, construction will not be commenced until the end of this year, so job cannot be created immediately. In contrast, the Government seldom talks about small- and medium-scale projects, the implementation of which can begin more quickly. The Democratic Party proposes that the progress of the original infrastructure projects, such as the Shatin to Central Link, be sped up and more small- and medium-scale projects should be launched. Full financial support should be provided to repair and maintenance schemes, the demolition of dangerous illegal structures, the expansion of local recreational facilities and the implementation of more sustainable development projects in local communities, including the planting of trees and greening.

Second, on education, the Democratic Party proposes that we should focus on the implementation of small-class teaching and the inadequate teaching support for students of ethnic minorities by hiring unemployed people in the

middle class to provide students with after-class tuition. This can make good use of our human resources on the one hand and raise the quality of education on the other.

Third, we also hope that more facilities can be provided in local communities, in particular, places in residential care homes for people with disabilities and residential care homes for the elderly, so as to shorten the waiting time. At present, the average waiting time for care-and-attention places and nursing home places for the elderly are two and a half years and three and a half years respectively, whereas the waiting time for places in hostels for severely mentally handicapped persons and hostels for severely physically handicapped persons is as long as six and a half years and seven and a half years respectively. This undoubtedly forces people in the waiting list to take care of themselves despite the extreme difficulties involved. Many elderly people have even passed away in misery in their homes before being admitted into residential care homes. This is indeed very inhumane. We strongly demand that the Government formulates a five-year programme to expedite the construction of residential care homes and buy additional places to shorten the waiting time. At the same time, it also has to allocate funds to voluntary organizations to provide more community care services and home-based care services for elderly people and people with disabilities.

On alleviating poverty and hardship, the Democratic Party hopes that the Government can continue to introduce measures because in times of economic recession, the impact on the grassroots is often greater. The Government should expedite the introduction of some measures for which members of the public have campaigned for a long time, for example, relaxing the eligibility criteria for the transport subsidy to cover all low-income earners in Hong Kong, and increasing the value of health care vouchers for the elderly or to provide health care services to all elderly people at half-price.

In addition, as the middle class has benefited less from the Budget, in order to ease the financial difficulty or pressure of the middle-class people arising from temporary unemployment while having to make mortgage repayments and pay for the education of their children, the Democratic Party proposes the allocation of \$10 billion to a special measure known as "family crisis loan fund" to provide low-interest loans to this group of people. We have already submitted the details of this proposal to the Financial Secretary.

President, many of the Government's measures are well-intentioned. Examples include the health care voucher system and the increase in "fruit grant" last year. However, their implementation has fallen far short of people's expectations. Often, even when "handing out candies", the wrath of the public is aroused. To put this in more vulgar terms, "the candies are handed out in a cheap way". Therefore, we hope that the Government can now really think carefully about how to get the job done properly. Thank you, President.

MR LEE CHEUK-YAN (in Cantonese): Sometimes, it does not matter even if one does a poorer job than others in "handing out candies" because no one will die because of this. However, President, the worst thing of all is that this Budget has exposed the Government as taking no action even though people are dying and revealed the fact that the Government is "false, big and empty".

As we all know, the present situation is that the financial tsunami has occurred. In the past few months, all that the Government did was just to keep issuing warnings, saying that the financial tsunami was imminent and talking about the first wave, second wave, the third wave, and so on. In fact, this is indeed very scary. Everyone can see that the unemployment problem is very serious and a lot of people in the streets are on no-pay leave. The Government has kept issuing warnings and the public can also feel the pressure. However, this Budget enables us to see that the Government is not budging a bit. This is tantamount to issuing a tsunami warning, then watching the tidal waves sweep in and people drown. President, a lot of people are about to get drowned. The Financial Secretary, as a life-guard, is only watching on the sideline, then saying that the Government has to be more prudent. Will he go and save some people? He has to think about it first because he has to keep some "ammunition" for future use. Financial Secretary, people are drowning, so why do you not save them? Are you looking on while people are dying?

I wonder if the Government is still unable to shake off its civil-servant mentality, that is, it wants to have a transition and often, it only cares about being prudent. However, prudence on the part of the Government means cruelty to the public. The public want the Government to save them but the Government is not doing so, so this is a kind of cruelty. I do not want to belittle civil servants. They do have many strengths. One of their strengths is that they are very meticulous in their thinking and this is fine. However, what should the

Government's thinking be under the accountability system? It should not just say that the Government will be accountable — although we all know that all along, this Government is not being accountable and whenever something happens, it will only pass the buck. This is not just about being accountable, most importantly, what is the spirit or essence of the entire accountability system? It lies in "it's about leadership, stupid". At such times, the Government should provide political leadership.

It is right for civil servants to be prudent, but for accountability officials who play a leadership role in the Government, they have to let the public see that in times of crisis, after they have listened to prudent analyses and looked at figures, they have to say that it is no longer the time to be prudent and they must save people now. I think this is very important. However, our leadership is still talking about reserving some "ammunition" and seeing what will come next. As we all know, regarding any life-saving measure, if we do not perform resuscitation at once, the one waiting for rescue will die. Is the Financial Secretary not going to make rescues until a lot more people have killed themselves by burning charcoal? Therefore, President, I am now feeling very anxious and hope that the Government can really do something quickly.

President, first, I am not being alarmist. Just now, I talked about people drowning and this is definitely not being alarmist. We can look at some figures. In the short span of two months, the number of the unemployed has risen by 40 000, that is, it is increasing by 0.5% each month. If the unemployment rate keeps going up, it will reach 8% this year very soon. If the Government does not create employment opportunities now and let the number of the unemployed continue to climb, when it wants to take remedial measures, the problem will be bigger because if we do not save the public now, should they lose their jobs, the economy will be even worse and then more people will become unemployed. For this reason, it is of utmost importance that the Government makes rescues early and there is no time for delay.

Regarding the second figure, President, in the short span of the last two or three months, the number of families with an income of less than \$4,000 has drastically increased by 20 000 to 190 000 and the increase is more than 10%. This is so very scary. All of a sudden, so many people have become impoverished. President, these figures are laid before our eyes but the Financial Secretary only advises us to be more prudent. The other day, I attended an

annual meeting of a trade union for container truck drivers and I asked the one hundred or so container truck drivers present there who had become unemployed. Half of them raised their hands. What about the rest? All of them were on no-pay leave and they were on leave for at least one third of the time. What does this group of container drivers stand for? They stand for the logistics industry of Hong Kong and the import and export trade of Hong Kong. However, under the present financial tsunami, the import and export trade is doing poorly, so the logistics industry is also doing poorly. These people are about to become unemployed. Next, consumption will be affected. If nothing is done at an early date, consumption-related trades would collapse and the retail and catering industries will also collapse. In that event, it will really be disastrous. For this reason, I am feeling very anxious and hope that the Government can do something soon.

At present, we can see that unemployed people are everywhere. They have been forced to take no-pay leave and had their pay and fringe benefits cut. Their assets have also shrunk. However, the Government is only calling on us to wait slowly and is still looking on while people are dying.

President, the second major problem is that the whole Budget is "false, big and empty". The part on the creation of jobs is full of exaggerations. He said that there would be 120 000 new jobs but he changed his claim subsequently. He no longer dared say that they were new jobs, instead, he said that they were new jobs and training opportunities. In fact, coming up with this figure is very easy. The first exaggeration is the claim that infrastructure projects will create 55 000 new jobs. Secretary Carrie LAM is very smart. After I inveighed her in a newspaper, she immediately changed her claim, saying that it was not the case that there would be 55 000 new jobs; what she meant was that there would be another 10 000 new jobs compared with last year. True enough, this is how the actual situation is like because last year, there were over 30 000 jobs and it is said that this year, there will be over 50 000 jobs, that is, some 10 000 jobs more than last year. However, those some 30 000 jobs will go later, so there will only be an additional 10 000 jobs or so.

Therefore, first, all the infrastructure projects will only create some 10 000 jobs. The recruitment of 7 000 civil servants is bogus because no matter what, they have to be recruited. Even though he said that the recruitment exercise was brought forward, those posts are actually not really new ones. At best, the some

500 meaningless jobs under the Mega Events Fund to teach young people knowledge of the Internet can be counted as new jobs. Therefore, the sum total is actually only 20 000 new jobs. As regards other internship opportunities and the offering of a subsidy of \$2,000, they are actually already in place, only that the number has been increased now. Frankly speaking, what is my major concern about that subsidy of \$2,000? Although the Government offers \$2,000, if employers have no jobs to offer, even the offering of \$2,000 will be useless. For this reason, I often ask the Government to offer \$4,000 and ask employers who originally hire an employee with \$8,000 to split one job into two, so that two persons can be hired by \$8,000. Is this feasible? Employers can hire one more employee, so why not? However, if the Government offers \$2,000, one will be stuck in the middle and it will not be possible to bargain with employers. If the Government offers a greater amount of subsidy, it will be possible to encourage employers to create employment opportunities. Therefore, those internship opportunities may not materialize because jobs may not really be available. Even if they are, they are pre-existing ones rather than new ones. It can thus be seen that the Government is making an exaggerated claim in saying that there will be 120 000 new jobs when in fact there are only 20 000.

The Government is often making "false, big and empty" claims and the second bogus thing is the counter-cyclical strategy he proposed. The estimated expenditure in the Budget this year only accounts for 19.2% of our GDP, and at its highest, the percentage is 22%. So, what is this talk about a counter-cyclical strategy? If the percentage is increased to 25%, I think that is about right. Compared with last year, the expenditure has shrunk by \$16 billion. Against the backdrop of the financial tsunami this year, the spending is \$16 billion less than last year. He said that this was due to the "handing out of candies" last year and that was only one-off in nature. This is precisely the worst thing about the Government, that is, everything is one-off in nature and long-term considerations are not on its agenda. I will elaborate this later on. The situation now is that under the financial tsunami, the counter-cyclical strategy proposed by the Financial Secretary is actually false because he has spent even less money.

The third "false, big and empty" point is that, Financial Secretary — the "TSANG brothers" — suddenly change their names to the "PrimeCredit brothers" because they have advised the unemployed to take out loans. In fact, their comments only make them a laughing stock. People in the street are also

laughing at the Financial Secretary. How possibly can unemployed people borrow money? Their properties are prone to turning into negative equity, and they are impossible to be mortgaged to the banks. Banks are not willing to lend money even to small and medium enterprises that are running a proper business, so is it not a joke to ask unemployed people to take out loans? The whole affair is so "false, big and empty". How can we lend our support?

President, the second major structural problem is that, as I said just now, whatever the Government does, it is always one-off in nature and the structural and long-term problems can never be solved. One very simple example of structural problems is that at present, many people are waiting for places in residential care homes. People with disabilities have to wait for 12 years for a place in residential care homes. In the case of elderly people, they have to wait three to four years for a place. As 1 800 people will die in a year, many people have died before they can get a place. In this way, the Government has solved the waiting problem. Does the Government think that with people dying while waiting, the waiting problem can be solved since they cannot make it? However, why does the Government not build more residential care homes for people with disabilities and elderly people? Building these residential care homes can serve two purposes. First, the problem of elderly people waiting for places can be solved and second, job opportunities can be created and they are long-term ones. However, the Government only thinks about short-term job opportunities but not long-term ones. Long-term job opportunities can enable the public to have employment as well as render help to elderly people. Why does the Government not do it? This is a problem that a very short-sighted government has to face.

Fernando CHEUNG was very helpful. He has helped me do some calculation. By his calculation, if we build residential care homes to solve the waiting problem, the one-off allocation needed by the elderly and rehabilitation services is about \$3.3 billion, the number of short-term jobs created will be 18 000, the additional recurrent expenditure will be about \$1.4 billion and the number of long-term jobs created will be about 6 700. If we do a good job in providing residential care homes, the Government can create 6 700 job opportunities which will enable the public to have jobs over the long term. However, President, I am really very disappointed because the Government has all along been so short-sighted.

Another issue is that of universal pensions. In fact, the \$1,000 of "fruit grant" is not an answer. What matters the most is that throughout the world, the so-called pensions are offered. My mother is receiving US\$600 of pension in the United States, but nothing is offered in Hong Kong. What Hong Kong needs is pensions. The Government does not offer this kind of long-term support, nor does it provide any assistance to the unemployed.

President, the Hong Kong Confederation of Trade Unions and the pan-democratic camp have three major demands, that is, we demand that in the Budget, more resources be committed. A lot of people have talked about the first demand, that is, the creation of job opportunities. When it comes to the creation of job opportunities, and real job opportunities for that matter, we hope that there can be at least 60 000 jobs. They can be green jobs or as proposed by me before, 10 000 job opportunities created by the non-government organizations upon the application on their own. However, such things as the Mega Events Fund should no longer be provided. The Mega Events Fund is only designed to fool people and it can turn into a repeat of the Harbour Fest at any time. Asking Mick JAGGER to come to Hong Kong is described as an event of the Mega Events Fund but the workers in Hong Kong have no work to do. Therefore, the first demand is to create job opportunities.

Second, we propose the offer of unemployment assistance and loans. To offer unemployment assistance is in fact very easy. It is only necessary to increase the asset limit for Comprehensive Social Security Assistance (CSSA) applicants to \$150,000 and exclude their business vehicles and self-occupied properties. If the assets are below \$150,000, the formula for approving CSSA applications should be adopted. Not many people not all people will be eligible for it but at least, some people in the middle-income bracket with few assets can apply for assistance immediately. In addition, if we offer loans in addition to such assistance the Government does not have to worry that they cannot repay the money because the Government excels in recovering taxes, so it can pursue them in the way it recovers taxes. The Government will find ways to do so. However, people are now facing pressing needs and it is time to save people.

Regarding the third demand, I am furious that the Government still refuses to do this even now, that is, to provide transport subsidy to low-income earners. This is very simple. This measure has been implemented in four districts, but

now, the subsidy has been cut off in these four districts because some people can no longer receive it after having it for one year. Since the Government is unwilling to continue with this measure, those people have to bear high transport expenses now. They can no longer get any subsidy. It is not reasonable to offer the subsidy only in those four districts and we think this measure should be implemented throughout Hong Kong. In addition, in the past, domestic helpers were offered cross-district transport subsidy but this is also no longer available. This kind of support is very effective and it can help the public right away. But the Government does not want to do so. Then, it tells us that it has to be prudent and further consideration is necessary, that one must think things through. It also says that there is a system and it has to conduct a review. President, we cannot afford to conduct any review and wait any longer. It is now time to save lives but the Government is unwilling to offer transport subsidy.

For this reason, the three major demands made by us and the pan-democratic camp are all very basic. We want to help the Hong Kong public but so far, the Government has not made any positive response. Of course, President, we have little recourse, so ultimately, we can only cast an opposing vote. Is it that the Government will only feel sorry when it is too late? Unfortunately, I know the nature of this legislature. Frankly speaking, President, after Members have lambasted the Government, they will then cast their votes for the Bill all the same. Doing so is useless.

President, according to the Basic Law, if more than half of us Members vote against the Budget, the Government cannot dissolve the Legislative Council immediately. Frankly speaking, even if it wants to dissolve the Legislative Council, I am not afraid as all of us can start anew. It is necessary for the Government to put in place a clear provision stating that the Chief Executive has to negotiate with all Members. The attitude of the Government now is that of "I don't give a damn to you", "I bet you dare not vote my Budget down". We have to set a precedent by making a clear gesture to force it to negotiate with us. The Basic Law has stipulated the right to bargain rather than immediate dissolution. I am convinced that if we are united, we can surely force the authorities to negotiate with us. My greatest fear is that the Legislative Council is not united enough. I hope Members can really do more for the public in this regard.

MR LAU WONG-FAT (in Cantonese): President, I still remember that last year, Secretary John TSANG, who was endowed with the biggest ever fiscal surplus in

Hong Kong soon after taking office, announced in a light-hearted mood how he would share the fruits of economic success with the public in his first Budget. Soon afterwards, the global financial tsunami erupted and now, Secretary TSANG has to rack his brain to see how to ease the hardship of the public and how to get out of the trough with the joint efforts of the various sectors in the community. There is no finer example than this to illustrate the transient nature of things in the world.

Due to the excellent Budget last year, it is not surprising that this Budget primarily targeted at "preserving jobs" prepared by Secretary TSANG has received far less applause than the previous Budget. Many people have commented that in the face of such a dire situation, the Budget has only launched measures with a value of about HK\$10 billion to ease difficulties, the punch is obviously inadequate when compared with the generous sums of money spent by other countries to counter the financial tsunami.

I agree that in view of the handsome amount of fiscal reserve of the Hong Kong Government, it is indeed possible to boost the intensity of the measures right from the beginning to save the market. However, in view of the subsequent response of Secretary TSANG that he would not rule out stepping up other measures in the medium term, we have reason to believe that the Government will respond with flexibility in view of the development under the financial tsunami.

Secretary TSANG was a learner of martial arts in the past and he probably likes the strategy of pre-emption. However, as the Budget warns, the global economy is experiencing the greatest challenge since the Great Depression of the 1930s and the financial tsunami has spread from the financial level to the real economy, I am afraid that the speed of deterioration of the economy will be unexpected. Therefore, I suggest that Secretary TSANG should not put fetters on himself by imposing the restriction that further reviews will be conducted and measures to ease the hardship and save the economy will be considered only in the middle of the year. I believe that it is appropriate for the Financial Secretary to review the economic situation early and from time to time, so as to prepare for changes in the measures before their effectiveness has faded.

President, I hope that the Government can pay double attention and show compassion to the plight of the middle class under the financial tsunami. Financial institutions are hardest hit by the current tsunami and a large number of employees are suffering from layoffs and pay cuts. Just like other middle-class employees in other industries, once they are sacked, it is very difficult for them to find a new job under the present situation. Even though the Government will create a total of 120 000 jobs, they are mostly related to the construction industry and can hardly benefit the middle class.

Furthermore, the proposals in the Budget to waive rates for the two quarters and reduce salaries tax by \$6,000 are also of little help to the middle class. So, it is difficult to say that these measures are designed to help the public tide over the hard times. Secretary TSANG once said that white-collared workers might have some savings and they could help themselves. I believe this conjecture is questionable. We must know that in general, the middle class would make investments but with the sudden onslaught of the financial tsunami, most of them have suffered serious losses in investment and had little left. For this reason, I hope that when the authorities decide to introduce additional measures to counter the financial tsunami, further relief measures can be implemented, including increasing the reduction in salaries tax and the number of quarters in which the rates are waived. In this way, the middle class will be able to get more substantial benefits.

The Financial Secretary, in response to the challenges of the financial tsunami, has set the preservation of jobs as the primary objective in the Budget, in the hope of maintaining the confidence and stability of society. This is indeed a pragmatic move and a step in the right direction. However, since the preservation of jobs is of paramount importance, I believe that the Government, apart from striving to create jobs, must also suppress the trend of layoffs through various means. For example, the authorities can consider offering tax reductions to reward employers who do not lay off employees. If this two-pronged approach can be adopted, I believe we can surely achieve more satisfactory results in preserving jobs.

President, Secretary TSANG has announced in the Budget that he will soon set up a Development Opportunities Office under the Development Bureau to provide one-stop consultation and co-ordination services for projects beneficial to

the economy and local communities. This measure backed by new thinking is worthy of praise and approval. I believe the Office will encourage more private organizations to carry out development projects and help promote efforts in cultural and environmental conservation.

President, it is said that "one must persevere with self-respect and stay calm in all situations". At present, the hard time in Hong Kong is not yet over. Moreover, we may have to face the battering of the second wave or third wave of the financial tsunami. At such a time, the most effective strategy for strengthening and helping ourselves is none other than to do our utmost in a positive and united manner and seize the opportunities presented by the crisis. The Central Authorities have announced the "Outline of the Plan for the Reform and Development of the Pearl River Delta" early this year. The SAR Government should not let this opportunity slip and must focus its energy on taking forward the 10 major infrastructure projects at full steam and promoting integration and co-operation with the Pearl River Delta Region on all fronts. If it can do so, we can surely overcome various obstacles, find a way out and re-emerge in glory.

President, I so submit. Thank you.

MR RONNY TONG (in Cantonese): President, today is the April's Fool Day and it is somewhat ironic that we discuss the Budget today on the April's Fool Day. President, sometimes, I really hope that the discussion on the Budget is only a joke that the Government plays with us but unfortunately, this is not the reality. This is a very solemn and heart-breaking Budget.

President, this year, on the eve of the announcement of the Budget, the Financial Secretary performed a big public consultation show by saying on the television announcement that he had to listen more to public views on the one hand, and having dialogues with young people on the radio on the other. He has even gone to such lengths as publishing a comic book to consult the public. There were a lot of gimmicks that raised public expectation on the Budget. President, in times of peace and prosperity, of course, these acts may still enable a budget lacking substance to muddle through but in the face of a rarer than once-in-a-century financial tsunami, the Financial Secretary is incapable of showing his savvy in coping with the challenge, so not only has the public popularity of the Financial Secretary and the SAR Government been lost, the future of Hong Kong may also be at stake.

President, the problem with the Budget does not just lie in the fact that there are a lot of words but no action, it is also a Budget that is counter-reason, self-contradicting, empty, exaggerated and even full of misrepresentations. On the one hand, the Financial Secretary has used many passages to describe the financial tsunami and the possible economic difficulties facing Hong Kong in the coming year, stating repeatedly that the crisis has not really come and that Hong Kong has not yet descended into the trough. However, the Financial Secretary has proposed a Budget that leaves everyone caught between tears and laughter. I can only describe it with nine words, "Waiting for luck and looking on as people die". No wonder in this Lunar New Year, "Uncle Fat" drew a written oracle for Hong Kong people in the Che Kung Temple and came up with a very bad luck one, as has been pointed out just now.

President, on the whole, the problems with the Budget can be divided into three areas: First, excessive conservatism in fiscal management in that the total expenditure is reduced instead of being increased, so this runs counter to the principle of public finance; second, exaggerating the results of the measures to preserve employment and failing to provide timely assistance to members of the public facing the financial tsunami, and thirdly, disregarding the needs of socially-disadvantaged groups and overlooking the fact that in times of economic gloom, socially-disadvantaged groups are the first victims who suffer the most.

President, concerning the first area, we will look at the economic situation and the coping strategy. Since the release of the Budget, the local employment market and international economic environment have become worse than those when the Budget was first released. The economic growth of Hong Kong in the third quarter last year still stood at 1.7% but by the fourth quarter, a negative growth of -2.5% occurred. Private consumption even posted a negative growth of -3.2%. Economic forecasts also point out that the situation of negative growth throughout the year may be in store for this year. On the unemployment rate, that for the most recent quarter was already as high as 5%, a return to the level three years ago, when the economy began to pick up. Moreover, a trend of gradual deterioration has been observed.

President, the impression given by the Financial Secretary's measures in response to such an adverse environment is that of having the will but not the power, and even looking on as people die. The Financial Secretary mentioned in the Budget that the counter-cyclical strategy was being adopted, that is, in

times of economic recession, government expenditure is increased to promote economic development and cope with the financial tsunami. However, it is a different story altogether in implementation. The total public expenditure this year is \$319.4 billion, a decrease of more than \$15 billion compared to the expenditure of \$334.6 billion last year, representing a decrease of 4.5%. If we take into account the actual negative growth in public expenditure, the rate is as high as -6%. Even if we look at the breakdown, the recurrent and non-recurrent expenditures are all less than those of last year. On the one hand, there is talk of increasing expenditure to stimulate the economy; and on the other hand, expenditure is reduced. Does this Government have a split personality?

President, as Prof TANG Shu-hung of the Department of Economics of the Hong Kong Baptist University pointed out, this approach of the Financial Secretary has misunderstood the meaning of and run counter to the counter-cyclical strategy. According to the analysis and calculation of Prof TANG, the SAR Government can now at least reduce the negative growth by more than 1%, that is, by adding about \$30 billion to the expenditure. In fact, a lot of public opinions have pointed out that this deficit Budget of the Hong Kong Government is very conservative and does not follow the practice of the Central Government of using a deficit budget to implement counter-cyclical measures. If the Financial Secretary does not introduce additional measures to save the market in the short run, Hong Kong may become the only place in China to record negative economic growth in 2009.

President, Hong Kong has now hoarded over \$1,000 billion in Exchange Fund and \$500 billion in fiscal reserve. As the Hong Kong Government explained to us in the past, this sum of reserve is intended for rainy days. However, at present, Hong Kong is now finding itself in a once-in-a-century major challenge and it is the high time the reserve is used to save the economy, so why should the Government still be so overly prudent and be miserly about its reserve? If the reserve is not used now, when are we going to use it?

President, the second area is employment measures. After the release of the Budget, my office received many calls from kaifongs complaining that the Budget had no substance. One of the kaifongs called me, saying in tears that he had been unemployed for more than three months and all the money at his disposal had been used up. He had defaulted repeatedly on the mortgage payments for his flat and if he continued to do so, his flat would be repossessed. He even had difficulty paying for basic things like the electricity and water

charges. He had borrowed money from all his friends who could lend him money. He asked me what support measures the Government had introduced to help him tide over the hard times. President, in the face of this kind of kaifongs, the colleagues in my office just do not know what to say.

In the Budget, the Government proposed the strategy of preserving jobs and creating about 62 000 jobs in the next three years. However, these so-called 62 000 jobs is only a trumped-up figure and distant remedies cannot meet pressing needs. For example, in paragraph 27 of the Budget, it is said that \$400 million would be earmarked for the Labour Department to enhance and integrate its various current training and employment programmes. It is estimated that these measures will benefit 44 000 people in the next two years. However, in a subsequent meeting of the Finance Committee, we found that this was in fact the total sum of the funds for the existing Youth Work Experience and Training Scheme and the Youth Pre-employment Training Programme, which offer a total of 35 000 jobs; the Employment Programme for the Middleaged, which offers 8 000 jobs, and the 800 places for people with disabilities under the Work Orientation and Placement Scheme. These jobs under the various schemes are pre-existing ones. They were actually proposed in the policy address last year. The numbers of jobs have not seen an increase, only the amounts of subsidies in these schemes have been increased and the periods of subsidization have been extended, so their effectiveness is completely doubtful. To put it simply, we cannot regard these 44 000 jobs as part of the new measures in the Budget because they are pre-existing jobs.

On the other measures to increase the number of jobs, apart from the jobs created through the "Operation Building Bright" project proposed by the Civic Party, which may achieve greater effects, the others are just small favours and they will have no significant effect on the rising unemployment rate. Never mind the 4 000 internship opportunities for university graduates, which were a matter of controversy earlier on and on which my friends in my party will put forward a more detailed proposal, the most puzzling thing is the 500 jobs to work as Internet counsellors. Exactly who will qualify as an Internet counsellor? President, if the Budget is released today, I think many people would think that it is an April's Fool joke. Do we have to teach young people how to surf the Internet? President, I think it should be young people who teach us how to surf the Internet. What kind of skill should this group of people possess? Should they be fresh university graduates or professionals with training in social work or computer? Can the scheme really provide relief to social groups facing unemployment? President, I really think that this proposal can be regarded as an April's Fool joke.

We hope that infrastructure projects can bring about more jobs but as we pointed out earlier, these distant projects cannot meet immediate and pressing needs. Moreover, most of these jobs will be for the construction and engineering industries. As we all know, these major infrastructure projects are often undertaken by overseas contractors and the materials used by them are all imported, so the effect on easing local unemployment will be limited. Moreover, at present, the majority of the unemployed are so-called white-collar workers, so these measures cannot resolve their difficulties at all. For this reason, after making various discounts, President, the employment measures in the Budget that can really cope with this crisis offer only 5 000 jobs a year for the next two years. I believe these cannot meet the need of the unemployed people running into thousands in each quarter. In order to help the unemployed effectively and help them cope with the present difficulties, the most effective measure is to establish an unemployment assistance fund to offer immediate and short-term financial assistance to the unemployed. President, there is no need for us to debate here whether the assistance should be in the form of cash or loans. In fact, such discussions are not important. The most important thing is the underlying belief, which is to offer actual financial assistance to the unemployed.

President, thirdly, I must mention the socially-disadvantaged groups. Although the Budget keeps stressing that assistance will be offered to socially-disadvantaged groups, on several serious problems facing socially-disadvantaged groups, the resources provided to them in the Budget are seriously inadequate. First, on the issue of places for the elderly, the problem of an ageing population has made the places in residential care homes for the elderly sorely inadequate for long periods of time. In 2008, the situation relating to waiting for places did not see any marked improvement. At present, there are a total of more than 20 000 people waiting for admission into residential care homes for the elderly and in the past year alone, about 7 500 elderly people died while waiting. President, this means that they died while waiting for places, not waiting for death. 7 500 elderly people died before they could get a place in residential care homes, accounting for 7% of the elderly over the age of 75. This figure is really stunning. I think it is really very heart-rending that such a situation has arisen in our affluent society, which has a reserve of \$1,500 billion.

President, at present, there are only 1 500 nursing home places in Hong Kong. The Budget only proposes that another 650 bought places be added without mentioning any nursing home places. This is not effective in coping with the long waiting queue at all. It is necessary for the Government to

drastically increase the expenditure in this area to \$600 million, including increasing the number of nursing home places by at least 2 000 before it is possible to ease the problem relating to residential places for the elderly.

Similarly, the shortage of residential care places for people with disabilities has been not dealt with in a reasonable way in the Budget either. In the past decade, the number of severely mentally handicapped persons waiting for places has increased by 800. At present, there are 1 880 such people and in general, they have to wait 10 to 12 years for a place. In fact, apart from severely mentally handicapped persons, there are also a total of some 6 100 people waiting for places in other residential care homes for persons with disabilities. However, the Government will only provide 156 additional residential care places, 30 additional day training and vocational rehabilitation service places and 54 additional pre-school rehabilitation service places this year to meet the needs of people with disabilities. President, I said just now that such a situation should not occur in an affluent society and this is not to mention the fact that the economic gloom had the greatest impact on socially-disadvantaged groups at the earliest time. However, it seems that the Financial Secretary is totally oblivious to this.

President, I wish to mention two relevant issues. First, this morning, outside, there were many elderly people who continued to demand that the Government should face the issue of universal retirement protection seriously. President, the Government repeatedly reminds us all the time that we must face the problem of an ageing population but for a long time, there is no indication that the Government has the resolve to face this challenge. The Budget this time even lacks a macro vision to tell us how the retirement problem arising from an ageing population should be handled.

President, separately, one thing that I particularly wish to raise is the issue of transport subsidy for remote district residents. Four years ago, the former Financial Secretary, in response to the demand of this Council, introduced the transport subsidy. Since its implementation, this scheme is obviously of assistance to low-income and unemployed people but the intensity of this measure is still not enough. We propose that the scheme be extended to the 18 districts as soon as possible, so that more eligible people can benefit from it.

President, in the face of such an inept and highly disappointing Budget, the Civic Party believes that unless the Financial Secretary makes a positive response

to the strong demands of society, it is really difficult for us to support this Budget. Thank you, President.

MR LEUNG YIU-CHUNG (in Cantonese): President, I am the tenth or eleventh in line on the queue waiting to speak today. Among the earlier speeches of my colleagues I have heard, not one has commended on the Budget, but instead, repeated criticisms were made. I wonder whether or not the Secretary has now left the Chamber because he had enough of the criticisms and could not bear to hear any more. He is not even willing or has the courage to stay and listen, but even if he does, he will still be subjected to criticisms. So, perhaps he thought as he would be criticized for a lot of issues, he might be better off staying away for a while. However, President, are these not the kind of responsibilities which the Secretary should have taken up? His actions are really regrettable and infuriating.

Not only was that the case, but even the Budget he compiled also made people think that he has not get his job done. Why do I say so? President, it was rumoured earlier that the Secretary might "make further advancements in his career", but whether the rumour is true or otherwise is not important. What is most important is that as the Financial Secretary, he must do a good job on two fronts. Firstly, on the macro front, to promote the economic development of Hong Kong and create employment, so that people can lead better lives. Secondly, on the micro front, to manage our finances properly, and apart from avoiding reckless spending, he must also not be a "Scrooge". However, it is a great pity that the impression we get from the Budget, is that the Financial Secretary has not only failed to get his job done, but also failed on both fronts. President, why am I saying this?

Simply, because we can see an anomaly from the financial position of the Government announced yesterday. In its announcement yesterday, the Government indicated that as at the end of February in the 2008-2009 financial year, and that is, over the past eleven months, it has surprisingly recorded a surplus of \$43.2 billion, and a fiscal reserve amounting to \$531.6 billion, quite the contrary to a deficit of \$4.9 billion estimated for this year. President, even taking into account the \$6 billion injected recently into the Mandatory Provident Fund and the \$4-plus billion Sichuan relief donations, we still have a surplus of at least \$30-odd billion, and this is just for this year. But, why did the Government tell us that there would be a deficit of \$4-odd billion? This point alone can reflect how great the ability of our Financial Secretary is in financial

management. Why did he say that we would have a deficit when there is actually a surplus?

In addition, he has even used deficit as an excuse for refusing to allocate funds for solving the employment problem and alleviating the hardships of the people. I do not know whether or not the Secretary has acted so unscrupulously because he thinks that the public is ignorant. Anyway, in regard to the management of our accounts as a whole, I think he really gives people the impression that he is a big failure and incompetent in his job.

President, regarding the current enormous surplus of the Government, some people have even compared it to "a foot so plump that no socks can fit". Anyhow, there is actually a surplus before our eyes, but the question is, why is our unemployment rate still so high when there is a surplus? Our unemployment rate has recently gone up to 5%, and that is, over 170 000 people are unemployed, confirming what the Chief Executive said earlier this year, that the biggest problem we face after the Chinese New Year is unemployment. However, even if he did not mention the problem, everyone actually knows that the unemployment rate usually soars after the Chinese New Year, and the question is only by how much. He did not mention a figure. In fact, our unemployment rate has really gone up, and has now gone up to 5%.

Furthermore, the Chief Executive was not alone in saying this, the State Vice President XI Jinping also indicated recently that he was worried about the unemployment problem of Hong Kong and estimated that it would go up to 6.5%. President, I believe that if the Financial Secretary still does not "allocate additional resources" and increase the strength, our unemployment rate may go up to more than 6.5% or even higher. As such, I think that such forecasts and advance notices are not the most important. What is most important is how we deal with the problem. However, it is a great pity that the Government informs us that a negative economic growth of about 2.5% is estimated this year. President, if there is going to be a negative economic growth, then what is meant by "preserving economy"? The Financial Secretary has placed great emphasis on "preserving economy" in his Budget this year, but how can our economy be preserved if there is a negative growth? On the other hand, he also talked about "preserving jobs", but how can jobs be preserved if our economy cannot be preserved? These issues are virtually self-contradictory. I fail to see how he can actually achieve his targets.

So, what exactly is the Secretary doing? Moreover, as regards the current financial crisis, everyone knows that our unemployment problem is even worse than before, and can also see that the ranks of unemployed have expanded this year. In the past, people at the grass-roots level were usually first to be affected. However, this year, I find that not only people at the grass-roots level but also the middle class were affected. Who would have thought that our Secretary would say that the Government does not need to offer the middle class any specific assistance because they have got savings? President, though many people know that we are particularly concerned about wage earners at the grass-roots level, it does not mean that we do not attach importance to problems faced by the middle class. However, as regards to what the Secretary said, "there is no need for the Government to be particularly concerned about or offer any specific assistance to the middle class because they have savings", I have no alternative but to say that he is full of bullshit. We see that many of the street sleepers — according to my knowledge — were actually once business owners. Is it really true that we do not have to care about them? Is it really true that we do not need to care about those people because they have savings? This is really bullshit and infuriating. This comment has made people question whether or not the SAR Government and the Financial Secretary understand what is meant by hardships of the people.

If he does not understand the hardships of the people, then he will certainly not be able to alleviate such hardships. However, if that were the case, Secretary — though he is not in the Chamber at the moment — I have to ask him whether he is confident that he can persuade us to support his Budget. In other words, if that were the case, is his Budget worth our support?

As a matter of fact, President, it can be said that the Budget of this year is a "three-no" Budget, a Budget which has no "allocation of additional resources", no vision and no commitment. President, why am I saying this? It is because when we look around at the example of other countries, the United States in particular, we can see that despite its poor economic conditions, and despite its heavy debts, its Government has still "allocated additional resources", "allocated a lot of additional resources" and took bold and resolute measures to save its economy. Not only the United States, but our Motherland have also "allocated a lot of additional resources" and make huge efforts to save the current economy. But, unfortunately, what has Hong Kong done? What has our Secretary done? It seems that he has not considered this problem, but only hanged onto the old beliefs that we need reserves to deal with future crisis. This is really agonizing and deeply disappointing.

President, when we talk about this Budget which has no vision, no commitment and no "allocation of additional resources", what we are most worried about is how our unemployment problem can be solved. Undoubtedly, the Budget has covered measures on solving this problem, for example, it has mentioned that some 60 000 jobs will be created. However, as many colleagues have said earlier, on one hand, these 62 000 jobs are not created immediately, but in stages, and on the other, many of the jobs are not substantive and established posts, for example, some are training related posts, and so on. As such, what we see is that such measures cannot really solve the unemployment problem. Is this the so called "chit-chats", only aiming to tell members of society that the Government has done something and to disguise the real problem?

I think that if the Government is really sincere in solving the unemployment problem, a lot can still be done. First of all, it can cease the outsourcing of jobs, for apart from allowing workers to keep their jobs, it can also raise wages and prevent wages from being constantly adjusted downwards. This is a very important issue. In addition, there is currently actual shortage of manpower in many departments, for example, hospitals are always short of staff. If we want to create employment opportunities, we can increase the number of health care personnel in some hospital departments, so as to meet the actual needs of patients, and thereby enhancing the quality of service.

In addition to hospitals, the same also applies to education. In the area of education, if more funds can be allocated and more resources can be injected, then not only can the current unemployment problem be solved, but the quality of our education can also be enhanced, thereby further enhancing the knowledge level of the future pillars of our society. As such, I think that more can be done in this area, and it is a pity that nothing has been said on this in the whole Budget.

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

Furthermore, there is still one issue which we have always been concerned about and that is, the transportation allowance. We have mentioned this many times, but it is a pity that the Government still refuses to listen to our suggestions. What we find very strange is that when the transportation allowance is offered in four districts, the Government says it is an allowance, but if it is extended to 18 districts, the Government says it is not a transportation allowance but wage

subsidies. I cannot understand the rationale behind this. Why is it regarded as a transportation allowance when it is implemented in four districts, but its nature changes and becomes wage subsidies when extended to 18 districts? Why is that so? While it is similarly targeted at low-income workers, it is called an allowance when implemented in four districts, but becomes wage subsidies when the same is extended to 18 districts. This is really uncalled for. These are actually not justifications. To lamely argue that they are justifications will actually make people extremely disappointed.

Moreover, we think that assistance should be offered to low-income and marginal families, but has the Government actually done so to relieve their pressures? It is a great pity that whenever we raise such issues, the Government will just treat it as "a puff at the ear" and never heeds our advice. On one hand, it says that it will listen to our opinion, but after we express our opinions, we are very disappointed to find that nothing has been changed in the Budget.

As in the case of today, there is a group of elderly outside the Legislative Council Building asking for universal retirement protection. Today is not the first time the issue has been brought up for it has been raised for many years, but what has the Government done? An old age pension has not yet been introduced. We must understand that the current Mandatory Provident Fund (MPF) Scheme does not offer all wage earners protection at their old age. For example, who is going to take care of housewives, who also have jobs, but only "working for" their families, in their old age? They have to ask their husbands or children for living expenses since the MPF Scheme cannot help them.

There is also the issue of living on "fruit grants", but not everyone can rely on it because elderly people below the age of 65 have to undergo a means test, thus not everybody is eligible for this kind of protection. As such, why do we not inject resources into these areas, so that our people can have a better living? It is a good thing if people can enjoy a better living, for it will promote internal consumption and stimulate our economy. But, why has the Government completely failed to accomplish anything in this area?

Deputy President, lastly, I would like to say that in regard to the Budget, if the Government really cares about our suggestions, I hope that it does not only care about our voting results, but also about the issues which we have raised. If it really cares about the issues which we have raised, then it does not need to worry about whether it will get enough votes for passing the Budget. However,

it is a pity that it is not concerned about the issues we care about, but only keep on worrying about the voting results. All in all, I think that unless the Government can "allocate additional resources" for alleviating the hardships of the people, otherwise, it will not be easy for it to secure votes for supporting the Budget.

Deputy President, I so submit.

MR JEFFREY LAM (in Cantonese): Deputy President, many people have psychologically been prepared that this will be a year of great difficulties and heavy odds. Governments around the world have also identified the risk and taken decisive actions and resolute moves in succession on initiating measures for saving the market and their economies. The Financial Secretary has also clearly pointed out the threats facing our economy in this year's Budget and listed three major directions, namely, preserving jobs, increasing competitiveness and sustaining development, for turning risks into opportunities and I agree with him on this. However, we see that the Hong Kong Government has a fiscal reserve of \$488 billion and over \$1,500 billion in the Exchange Fund, and I believe that the public would want the Government to introduce some daring and bold measures for assisting various trades and business and stimulating the economy, reminiscent of building a Noah's Ark, to lead Hong Kong out of this mighty torrent and raging storm.

However, the estimated Government expenditure for this year has decreased by more than \$15 billion as compared to the estimated amount for last year. Thus, is the estimated expenditure too conservative in face of the current extremely grave economic conditions? This is particularly true in respect of measures on assisting small and medium enterprises (SMEs), which I found to be really inadequate and lacking in intensity. SMEs are one of the important pillars of Hong Kong's economy and play an extremely vital role in preserving jobs and revitalizing our economy. As at mid-March, only about 4 500 applications, involving loans of around \$9.5 billion, have been approved under the \$100 billion Special Loan Guarantee Scheme launched earlier by the Government, with an approval rate of less than 10%, which is far from satisfactory. Is this due to problems of the enterprises, harsh terms adopted by the banks in examination and approval, or liquidity problems of the banks? The enterprises of Hong Kong have now received orders from foreign buyers in succession, and it was pointed

out in a number of recent reports, including that made by the Trade Development Council, that our enterprises have constantly received purchase orders. We believe that enterprises will step up productions in the second quarter as a result of the purchase orders and our export trade will improve greatly in the third quarter. However, in their early efforts to maintain operations and preserve the jobs of their employees, many enterprises had almost exhausted all their capital in hand. I was told that many enterprises have still been unable to secure loans, and those who managed to do so are required by the banks to make repayments within a short time and have to pay interests at a higher rate. Can the banks adopt a more lenient policy in respect of the repayment period and interest rates? How would enterprises be able to get money for paying salaries and buying materials if they lack operating funds? And, they also need money to pay for expenses on sundries. If enterprises do not have operating funds to cover their costs, then they may not risk accepting orders which come their way. This is definitely a great blow to the enterprises' survival and to the sustainable development of Hong Kong's economy.

Deputy President, our latest unemployment rate has risen sharply from 4.6% to 5%, a record high in the past 34 months. If enterprises are forced to close down or lay off staff one after another due to lack of cash flow, then it will lead to serious unemployment problems. In order to preserve jobs, we have to support our enterprises for it is only through supporting enterprises can jobs be preserved on a long-term basis. As such, the Government should take proactive actions to support our enterprises and come up with plans for introducing resolute and effective measures as soon as possible. Supporting the enterprises is like "fighting a fire" which cannot afford to be delayed and must be implemented immediately. The most pressing task at the moment is for the Government to implement effective and specific measures for helping SMEs out of their difficulties and prevent them from closing down as a result of fractures in the capital chain. I suggest that the Government should review and improve the Special Loan Guarantee Scheme as soon as possible by identifying problems in the Scheme and finding suitable remedies, such as increasing the amount and percentage of the guaranteed loan. In light of the current circumstances, the Government can also hold further negotiations with the banks and persuade them to adopt a more lenient policy on making out loans. I hope that everyone will understand that banks and enterprises can maintain a greater mutual support for they are dependent on each other. If a trade fails to survive, it will lead to a chain reaction and affect other trades, and this situation will neither be to anyone

nor trade's benefit. As banks are in the same boat with enterprises, I hope that they could help enterprises out by solving their financing problem and ride out the storm together.

As regards taxes, I greatly welcome the measures of the Government on revenue concessions and waiving rates for two quarters. However, as Hong Kong enterprises are now struggling for survival, these "ammunitions" are definitely inadequate for solving the financial problems of our enterprises. I have repeatedly requested the Government to holdover payments of provisional tax and various government fees and charges because many enterprises are now under great financial pressure and the holding over of payments will be a more direct and effective approach than freezing government fees and charges for helping enterprises. As such, in these difficult times, the Government should adjust profits tax downwards to 15% as soon as possible and actively consider introducing arrangements like "group loss relief" and "loss carry-back" for such measures will act as a strong booster for both Hong Kong enterprises and Hong Kong's economy, showing that no matter how difficult the times are, the Government will still fight side by side with our enterprises and help them to ride out the storm. If enterprises get support, then I believe that there will be fewer incidents of enterprises closing down and laying off staff and their continued operations will definitely be beneficial to reviving our economy. In past financial crisis, we saw that enterprises had always taken the lead in helping our economy recover. This time, I hope that such enterprises can continue to survive healthily, give impetus to our economic recovery, and enhance the long-term competitiveness of Hong Kong. The Government should give further thoughts to such measures.

As regards employment, the Government claimed that it would create 60 000 jobs, but 40 000 of such jobs are short-term or internship posts. Has the Government considered that when the terms of such short-term employments come to an end, the employees in question may once again become unemployed, so what arrangements will the Government make to help them get other employments? In addition, the Government will also spend \$140 million to launch the Internship Programme for University Graduates and offer subsidies for 4 000 new graduate internships. The Hong Kong General Chamber of Commerce supports this Programme, and many of its members have also supported the 2009 graduate internship programme launched earlier, in the hope that it can help university graduates. However, since there are 14 500 university graduates and as many as 25 000 graduates from other tertiary institutions in

Hong Kong each year, it seems that the Programme cannot cater for the employment needs of other graduates. This large group of graduates will soon have to find jobs, but as the current economic condition is very grave, I am afraid that there will be more manpower than required in the market for quite some time, and may then lead to the problem of more "non-engaged youths". "Non-engaged youths" — we can see that this is a social problem and hope to prevent it as far as possible. As compared to the \$63 million earmarked for teaching young people how to use the Internet, can the Government do more to help these young people get employment?

In enhancing the competitiveness of Hong Kong, it is also essential to promote the development of creative industries, but no reference has been made to this area in the Budget. Though it was mentioned in the Budget that studies would be made to enhance the functions of industrial estates and expand the Science Park, nothing has been said about the relevant long-term policy blueprint. In addition, the Budget has also failed to give any impetus to what traditional industries need for upgrading, transformation and production mode restructuring, by introducing measures such as tax deductions for expenditures on design, research and development and brand name development, and rental concessions by charging cheaper rents, and so on, as initiatives for people who join the creative industries. In fact, certain creative industries, such as high value-added fashions do have great potentials in Hong Kong, but the Government has not offered the relevant industries very much support.

Deputy President, I welcome the Government's proposal on reissuing government bonds for this can invigorate Hong Kong's bond market, and develop Hong Kong into an Asian bond market. In face of the current financial crisis, I believe that this can further attract investors. I also hope that the Government can continue its discussions with the Central Government on expanding the issuance of Renminbi (RMB) bonds in Hong Kong. Premier WEN Jiabao announced earlier that the Central Authorities would promote RMB clearing business in Hong Kong. Once a RMB clearing centre has been established in Hong Kong, I believe that apart from helping enterprises manage foreign exchange risk and preventing them from being lobbied into wantonly believing that they can avoid the risk of currency depreciation or appreciation by entering into accumulator contracts, it can also bring in more RMB business for Hong Kong banks. I believe that this move can promote Hong Kong as the offshore centre for RMB and allow RMB to take its first step towards dominating the world currency market in the long-run. I hope that the Hong Kong Government

can make adequate technical preparations for co-ordinating the implementation of relevant arrangements as soon as possible, thereby revitalizing the financial and other trades and industries of Hong Kong.

Deputy President, I so submit.

DR JOSEPH LEE (in Cantonese): Deputy President, as regards this year's Budget, the focus of everyone is on pressing subjects like how the Government can invigorate our economy, preserve jobs and alleviate the hardships of the people. However, in addition to the economy and people's livelihood, our physical and psychological well-beings are also priceless treasures. So, what exactly has been laid down in this year's Budget for protecting the priceless treasures of our physical and psychological well-beings?

Though the Government has already increased its health care expenditure by about 17%, and increased the recurrent subvention for the Hospital Authority by about \$870 million a year, we are concerned that our existing medical services have still got much room for improvement. Can the increased funds really meet the needs of the people and improve the quality of our medical services? For example, the much too long waiting time for specialist out-patient service, social problems brought about by inadequate psychiatric service, the continuous shortage of nursing staff, and the heavy burden on public medical service, and so on. Can the Government use its funds more wisely to improve the abovementioned services and problems? We hope that government funds can actually be well-spent. Apart from perfecting the existing system, we also hope that various reforms such as the public-private health care partnership scheme, primary health care service and the territory-wide health care record sharing system can be effectively operated and developed, so as to meet our future health care needs.

Take primary health care service as an example. The Chief Executive said in the policy address that the primary health care service scheme should be enhanced and community health centres should be established. Regrettably, no plan and specific timetable have been drawn up. The Budget has also failed to give any details on how much resources must be injected to develop the relevant plan. I believe that the Government would definitely not, and must not make empty promises. We hope that the appropriated funds can really support the implementation of this plan and studies can soon be made on resources like manpower and equipment to facilitate its implementation, for it is only by doing

so can we really bring community health centres and the primary care-based scheme into full play, so as to honor the commitment made by the Government and the Chief Executive in his policy address.

It seems that the current economic condition is not too favourable and many people are over-anxious. I do not wish to see people losing a whole night's sleep over their investments in accumulator or over whether they should commit to the HSBC rights issue. These are all emotional or mental problems and it seems that more and more people are suffering from financially-induced emotional illness. However, we find that fewer resources have been allocated for improving the mental health of Hong Kong people in this year's Budget. To put it simply, the number of psychiatric nurses in Hong Kong is not many and I think we can almost finish counting them on the fingers of two hands. Take the New Territories West as an example, at present there are only 10-odd community psychiatric nurses. It was mentioned in this year's Budget that only 16 community psychiatric nurses would be employed. How will this be sufficient to cater for the needs of all people with mental health problems in the community? This is impossible. I hope that the Government can really make more comprehensive plans to utilize the appropriated funds in the Budget by means of supporting policies and utilizing appropriate resources to formulate a long-term policy on mental health (community mental health in particular) — I am not referring to mental illness, but rather community mental health. Hong Kong people will be healthier both emotionally and mentally on the whole if there are matching resources.

On the other hand, the Government mentioned earlier and discussions were held at the Legislative Council Panel on Health Services that an additional fund of \$290 million was allocated for inclusion of the pneumococcal conjugate vaccine into the Childhood Immunization Programme. While we certainly welcome this move, the enhancement of the Childhood Immunization Programme alone cannot prevent the transmission of the disease or protect children's health. We find that there is a higher risk for this infectious disease to break out in kindergartens and primary schools and once the outbreak occurs, places where children congregate will generally be the first to be affected. We see that the Budget has not specifically catered for such needs and has not introduced any specific measures on promoting healthy eating habits for children on school campuses. Though the Chief Executive has mentioned several of these points in his policy address, it is most regrettable that the Budget has not given any specific

details on what resources there are for enhancing the health of children, school children in particular, on school campuses. All parents of our generation want their children to be fair and chubby, but I believe that all parents of today would not wish to see their children becoming obese or getting too fat in schools. It will actually be a good thing if the Government can enhance its work on this area in the Budget. As a matter of fact, vaccination alone cannot solve problems of children's eating habits and school children's health and make them healthy for such habits have to be nurtured at a very young age. As such, we hope that the Government can enhance its work on promoting smart eating at schools and the best way to do so is to consider the "one School, one Nurse" policy which we have all along been advocating so that professionals will be available on school campuses to help children develop healthily in all aspects.

Tobacco duty is another issue which is closely related to our health policy. This is certainly a very controversial subject. As regards whether the increase in tobacco duty is good or not, I believe that more detailed discussions may be made tomorrow. However, from the perspective of public health, we think that this is good because though people who can afford it can certainly continue to smoke after tobacco duty is increased, those who cannot afford it will have to consider quitting. Smoking cessation may also be advantageous in light of social resources on the whole for people may become healthier after giving up smoking and thereby require less medical resources. This is good, and we greatly support it.

Deputy President, I would also like to talk about the issue of the elderly. As Mr LEE Cheuk-yan said earlier, it seems that the current practice of the Government is to let some elderly die in the course of waiting for its services, and thus have the waiting time shortened, but this is not something we would like to see. The Government indicates that by the year 2033, the population of elderly people over the age of 65 in Hong Kong may increase from the existing 870 000 to 2.17 million and this seems to be a significant increase. This time the Financial Secretary has allocated an additional funding of \$200 million for supporting the elderly, but a Member has asked earlier whether the additional provision of \$200 million can really shorten the length of the waiting time for elderly residential home places. There is one thing which the Financial Secretary should pay attention to after the length of the waiting time is shortened, and that is, whether the quality of residential homes will be improved after the

number of places is increased to shorten the waiting time. This is an issue which we must face up to, but no details have yet been given in the Budget on how resources will be utilized for enhancing the quality.

Currently, the quality of residential homes for the elderly is varied. In particular, the quality of privately-run residential elderly homes cannot be truly improved even if the Government allocates fund for buying places. It is stipulated in the law that a residential home with 60 or more elderly should have one in-house nurse. And, it is absolutely essential that this outdated legislation is amended for the situation of residential elderly homes was more stable and the psychological condition of the elderly also more stabilized back then, when this piece of legislation was enacted more than 10 years ago. However, currently, the health condition of over 85% of the elderly living in residential homes is relatively poor. This is a result of the community rehabilitation and care policy for the elderly promoted by the TUNG Chee-hwa Government in 2000. But, as the health condition of the elderly is relatively poor, very often the elderly in residential homes cannot move freely on their own. If this piece of outdated legislation is not amended, we cannot see how one nurse will be able to take care of 60 elderly with physical dependency. This is absolutely impossible. The legislation has resulted in one phenomenon, and that is, many privately-run or even subsidized residential homes do not have enough resources for employing sufficient nursing staff to take care of the elderly, and this problem is really worrying. As such, the problem of elderly care cannot simply be resolved by allocating \$200 million to shorten the waiting time, for even if the elderly are admitted to residential homes, it may not be a good thing if the quality of the homes is not improved.

The Government has, however, put forward a reasonably good housing policy, and that is, \$1 billion has been earmarked for implementing the Building Maintenance Grant Scheme for Elderly Owners. Everyone can see from figures provided in the past that 2 000-odd elderly participated in the Scheme and repaired their properties, so as to live more comfortably. But, why were there only 2 000 properties of elderly owners need repairing in the whole territory and how did this figure come about? The problem is, only self-owned properties are eligible for repairs and if the elderly only lives in rented property, then the owner of the property will not fall under the coverage of the Scheme. Thus, even if the building where the elderly lives is very dilapidated, they still cannot benefit from the Scheme. As such, the Government should explore on ways for expanding the Scheme, in order to help the elderly who rent and live in dilapidated buildings

and assist them to carry out repairs to the buildings they live in, so that they can live in greater ease and happiness. This is the spirit of the Scheme. Sometimes, a more flexible approach must be adopted in its actual implementation. Therefore, I hope that corresponding measures for helping this group of elderly can be introduced in this Budget, so that they can live more comfortably.

Another issue concerning the elderly is that everyone sees that the Government has allocated an additional fund of \$5 million for establishing neighbourhood support networks in all districts in the territory to encourage self-help and mutual help among the elders but no specific details have yet been given. In recent years, everyone can see that the situation of elders committing suicide has become more and more serious. In 2007, there was about 35% of suicide cases involved elders aged 60 or above, on grounds of chronic illness, depressions or even lack of care, and so on. The neighbourhood support networks can encourage the elders to participate in community activities and join more social activities, thereby reducing cases of hidden elders, which is one of the reasons for the elders to commit suicide. As such, we hope that the Government can step up its efforts through this scheme and outline specific plans on how the \$5 million will be used, and offer real help to elders, through the community networks — the so-called neighbour watch which is also available in overseas countries — so that they can live healthier and better in the community.

Deputy President, I would also like to talk about a more recent hot topic, and that is, drug abuse. During the past several weeks, apart from reports on medicinal drugs problems, there were also news reports on two young Hong Kong singers arrested on drug abuse charges in Japan. This problem has actually brought to our attention a very important message, and that is, the drug abuse problem of young people in Hong Kong has become very serious. I asked the Chief Executive a question on how he would deal with the drug abuse problem of young people during the last term of the Legislative Council, and he promptly replied that he had appointed the Secretary for Justice to lead the establishment of the Action Committee Against Narcotics. It is a pity that the situation has not yet been improved and the problem of drug abuse among young people is very serious. In fact, school social workers, teachers and parents are all very concerned about this group of children, but I do not see any additional resources being made available in this Budget to help our young people stay away from drugs or seek treatment. If only we can provide resources for certain drug addiction treatment organizations for young people, such as the Zheng Cheng College at Chi Ma Wan, Lantau Island, then we can help more young people stay

more resolutely away from drugs and get back on the right track as soon as possible. In fact, the support given by the Government to drug addiction treatment schools has always been inadequate and nothing has been said in this Budget about the contributions of such voluntary organizations on the drug abuse problem of young people, and of course, I am referring to their contributions on preventing the drug abuse problems of young people.

I hope that the Financial Secretary can consider whether resources can be allocated, firstly, to support the voluntary organizations of Hong Kong in helping young people break away from their lives of drug abuse, and secondly, to strengthen the efforts of the Action Committee Against Narcotics led by Secretary WONG Yan-lung, so that it can formulate more specific plans and have more resources to prevent the young people of Hong Kong from abusing drugs. There are already voices in the community saying that the enforcement of the law may infringe upon human rights, but I believe that parents who are now in this Chamber or all Hong Kong parents who are now watching television will believe that they also have the responsibility to deal with the problem should their children abuse drugs. Human rights may be one of the considerations but not necessarily the most important one. Therefore, I hope that apart from stepping up its publicity efforts, the Government will have a more important mission in future, and that is, to provide corresponding resources, so that our younger generation can avoid as far as possible or completely avoid abusing drugs.

Deputy President, lastly, I would like to talk about the issue of people's livelihood. The issues I have raised earlier are all related to the sector I represent, but it seems that everyone is concerned about the issue of people's livelihood. Though, I do not wish to repeat what others have said, I must mention one crucial issue, and that is, this Budget has really failed to look after the interests of white-collar or middle-class people in general. Why do I say so? Some colleagues criticized the Government as heartless and for treating the middle class badly, for they are, after all, pillars of Hong Kong's economy. There are also people who say that many middle-class or white-collar people will soon become unemployed for the mighty current of the financial tsunami is closing in upon us. If the middle class become unemployed, there may not be any problems in the short-run, and the Government even says that they can collect CSSA payments. However, as they are comparatively well-off in general, I cannot see how they will be eligible for CSSA payments. The question is: How

should we help this group of people if they become unemployed for a long period of time? For people of the middle class, the creation of the 60 000 jobs, as proposed by the Government, may actually not be very significant. Will the Government consider establishing a fund, to allow people of the middle class to secure low or no interest loans to start their own businesses, when the need arises? This is one of the ways which can at least help them lead a more settled life. Of course, the money they borrow will have to be returned, but I believe that this one-off loan can at least help this group of needy middle-class or white-collar people settle and take care of their families. People's livelihood problems are very hard to be resolved, but I hope that the Government can consider implementing these measures in its Budget to assist middle-class people. If the Government listens to what I have said earlier, then Hong Kong can become a healthier city, which is beneficial to the physical and emotional health of both elderly and young people alike, and even with regard to people's livelihood. Thank you, Deputy President.

MR CHIM PUI-CHUNG (in Cantonese): Deputy President, today we are conducting the Second Reading debate on the Budget. This is the second report made by the Financial Secretary. I personally feel that the work of the Secretary is really a very difficult one. Why is that so? It is because at a time when the Government has a lot of reserve like last year, everyone will say, "Wow, the Government has so much money, it should return wealth to the people, and better still, leave wealth with the people, it should give a bit more to the people and let them share the fruits." Well, suddenly our economy is in trouble, many people will then say, "Hey, since we are now in so much miseries and hardships, the Government should give us more. The Government might as well give everything to the people and let people take what they want." Under such circumstances, we will come across another problem, and that is, some of our Member politicians and politician Members will still continue to fight, and it is actually not wrong of them to do so, for people who participate in politics should act in the interests of the people, fight for their interests and speak on their behalf, and these are the things they must do. It is a pity that there are only eight to 10 Members in the Chamber right now, a very miserable turnout. I do not wish to disturb other Members enjoying their "long lunches", for they may have to eat from 11 am to 2 pm. Well, just let it be.

Deputy President, let me get back to the subject of the so-called securities financial crisis. If we were to trace back to a more distant time on 30 October

2007, we can see that the Hong Kong stock index was at a historical high of 31 638.22 points. One year on, the index fell to 11 015 points on 27 October 2008, with a drop of 65.18%; and a drop of 43.28% if we start counting from 1 April last year up to yesterday. Deputy President, stock and share prices were certainly affected by world-wide financial crisis in the past and this phenomenon is not something which only begins today. When we look back at the history, there was the so-called world stock market crisis in 1987, the so-called Asian financial crisis in 1997, and the great fluctuation in 2007, which everyone has talked about, and the situation dragged on until 2008, when the United States itself got into trouble. As such, I personally think that in view of the fact that Hong Kong is a world financial centre, the SAR Government has certainly not taken enough precautions, made sufficient preparations and offered enough protection in this regard.

Let us look back, in the past, the Hong Kong Securities and Futures Commission often mentioned that local stockbrokers might have to face problems of their very own existence. Fortunately, up to now, the fact is that there were only two or three occasional incidents in the past five to seven years or so, and only a very small amount of money was involved. Therefore, as regards to this issue, apart from acknowledging that its regulatory measures are not bad, the SAR Government should also praise or commend on the quality of local Chinese stockbrokers and investors, who have gone through the test of time. I hope that the Secretaries can acknowledge this.

Deputy President, when we look back, we can see that the policy of the so-called "two regulators for one industry" implemented in 2003 with reference to the securities industry, following studies conducted in 2000, was really very faulty. Ever since studies on the relevant legislation commenced in 2000, members of the industry have voiced their opinions and society, as a whole, has also made known its wishes. However, it is a pity that the SAR Government really did not do enough in the past. It only defied, discriminated and shown hostility towards such views, thus leading to the current Lehman Brothers minibonds incident.

I earnestly hope that apart from working together to do a good job on this Budget and win the support of the people, the Secretaries of Departments and Directors of Bureaux of the SAR Government should also be sincere in solving the problem of minibonds and put forward possible solutions. We certainly understand that this is not an easy task, but what is even more difficult is to show

whether the Government has such determination, sense of responsibility and ability to get this done properly. In easy times, everything can be easily done, regardless of who take up the posts of Secretaries of Departments, Directors of Bureaux or even the Chief Executive; but it is only at difficult times can the Government really show that it is accountable to its citizen and to the people. Six months have passed since this incident occurred and judging from the present circumstances, it may even not be resolved by the time when the next Budget is delivered. I certainly do not wish to see this happen. Though I do not have any personal interest at all in this matter, I earnestly hope that the Secretaries of Departments and Directors of Bureaux can deal with this issue in co-ordination with the Government as a whole and accord it utmost priority.

Deputy President, to Hong Kong as a whole, this Budget is neither the last one nor the first one. The main thing is that it should have bearing to the whole government structure and make the SAR Government focus on the crux of our problems. I have mentioned in the past that a source close to the former Financial Secretary once said, a responsible Financial Secretary would not create or prepare a Budget on his own, for the Budget should be prepared in co-ordination with the Government as a whole, other Directors of Bureaux, and consultants, from a collective perspective, and it is also a report card on the performance of the Government, which is accountable to the people. It is a great pity that the slogan of the Chief Executive was "I will get the job done" in his last election campaign. He made a fundamental mistake in having such a mindset and idea, for since he is appointed Chief Executive of the Hong Kong SAR by the People's Republic of China, he should firstly, have a sense of glory; secondly, a sense of mission; and thirdly, a sense of obligation. He should not simply set his target at getting his job done. The same goes for Secretaries of Departments and Directors of Bureaux who should not only simply get their job done, but should also have the sense of glory, obligation and mission I mentioned earlier. I have also told the Chief Executive, "Please tell your subordinates that if any of them fail to have these three sentiments, then I would suggest that they go work in the private sector instead, for it would be better than staying here and simply get the job done. This is what the people expect and what the Chinese Government demands from them. I have no intention to give them a lecture, but this is something which they really have to do."

As such, they should prepare our future Budgets with this sense of obligation. To the public, even if the Secretaries of Departments or Directors of Bureaux make mistakes, or if their performances fall short of our expectation,

people will definitely understand as long as our Member politicians or politician Members do not stir up troubles to place our officials in confronting positions or at opposing side of society. This is a crucial aspect which leading officials of the SAR Government should pay attention to.

Deputy President, G20 will convene a meeting in London, the United Kingdom tomorrow. As I said earlier and this is most certainly, most certainly not a conspiracy theory, but from the past history, we can see that in 1987, 1997 and 2007, such world influential figures, by fraud or employing other special means, virtually exploited world finances. I have said that if the Chinese Government wishes to play a prominent role in world finances, then it must have to fight other privileged figures, or even engage in a financial war. As to when the war, or fight will start, its size and duration, will be left to be witnessed by our social and financial histories.

No matter what happens, finance also has a very, very important role to play in Hong Kong, a special administrative region of China, in addition to politics and other aspects. As such, the SAR Government should not only do a good job in preparing its own Budget, but also make contributions when China faces the world and other challenges in future. Leveraging on China and engaging ourselves globally are not just empty words. We must really play a leading role in finance. As such, I have pointed out many times that the SAR Government should start by studying the linked exchange rate and this is what I have been saying for a long time. It is most certain that it is not because that I am a lowly person whose words do not carry any weight, but rather the SAR Government, with its great foresight and vision, is actually completely clueless, and not only slow on the uptake, but totally numb.

Therefore, Deputy President, in the light of this, the SAR Government should defend the interest of Hong Kong people in future with regard to the linked exchange rate. We understand that the United States Dollar was recognized and held in esteem over the world in the past, for there was a time we knew that if we had US\$35, it could be automatically exchanged for an ounce of gold at any time, but this mode of exchange is definitely, definitely not viable now. In view of the fact that it is not viable now, the SAR Government can only say that it has a reserve of some US\$200 billion, whereas China has some US\$2,000 billion in foreign reserve. The Chinese Government is also aware of such situation, and Premier WEN Jiabao clearly indicated on March 13 that he felt uneasy about this. Under such circumstances, future attacks on our reserves

will most certainly be caused by the United States Dollar. Therefore, I am now urging the Financial Secretary that in addition to do a good job on the bond market which I mentioned earlier, he must also manage and guard our reserves properly.

Deputy President, it is perfectly, perfectly normal for Hong Kong finances to have rises and falls. It is most important that we bear two words in mind, one of which is "confidence" and the other is "responsibility". Therefore, I think no matter how grave our prospect is, it will eventually change for the better, and no matter how difficult the situation is, there will still be changes. Confidence and happiness are the most important pillars in our lives. Confidence and happiness are personal accomplishments and by nurturing our personal accomplishments, we will learn to treasure our future even when we are facing difficult times, and thus naturally be happy in both body and mind. The difference between misery and happiness or hope and complaint only lies in a single thought. Studies can enhance our outlook on life, enable us to become full of ideas, become resigned to what is inevitable, take nothing to heart, and take everything easy in the journey of life, and thus smile and accept unpredictable changes. The most progressive and wisest choices we make in our lives are those supported by the Government and other sectors, and to live under such circumstances without blaming our stars and fortunes. Hong Kong people suffered great losses in the HSBC incident, but they did not have any complaints because this was their own choice. It is only when they were unfairly misled that they would stand up together in protest. I hope that the SAR Government can conduct itself well and can (*The buzzer sounded*)

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

MR CHIM PUI-CHUNG (in Cantonese): All right.

MR WONG YUNG-KAN (in Cantonese): Deputy President, after reading through the Budget of this year, I found that not a word, absolutely, absolutely not one word has been said about the industry I represent, or maybe I cannot say "said" for it has virtually completely ignored our industry. I am very sorry about this, and I think the biggest problem is that a government can completely ignore an industry.

Deputy President, on behalf of the DAB, I am going to give our views on food issues and agriculture and fisheries policies. Last year's incident of milk products containing melamine has dealt a great blow to the mainland and Hong Kong food safety systems. The SAR Government has restricted the amount of melamine content in food by means of passing an emergency legislation to regulate the situation. However, in view of the fact that the Government had passed an emergency legislation in response to the malachite green incident and once again did so in response to the melamine incident, the public may think that food safety legislation is only for "making remedies" instead of for preventive and effective monitoring. Why is it that the legislation of Hong Kong cannot be more preventive in nature?

Deputy President, I think that the worries of the public are justified. The Government has established the Expert Committee on Food Safety to review our existing food safety standards but the progress of its work is very unsatisfactory and the public also do not have any idea of what it is doing. However, its greatest mistake is whenever anything happens, the Committee will pass emergency legislations to "kill" this and "kill" that. We can see from actual cases that the protection offers under existing standards is very inadequate.

I notice that the Standing Committee of the National People's Congress has just passed the "Food Safety Law of the People's Republic of China" this year to restructure the food safety monitoring system of the Mainland, in which the regulation of food additives is included. I think that this law may serve as a reference. Section 28 of the law clearly states that "food manufactured with non-food raw material, or food products which contain chemicals other than food additives and other substances which may endanger human health" is prohibited. In addition, Section 44 also stipulates that anyone applying for permission to use new food raw materials for manufacturing food or new food additives should submit a safety assessment report to the hygiene authorities. In other words, the Mainland has already implemented more stringent control on food safety monitoring, prohibited the use of any non-food substance in food products and also introduced new food safety assessment standards for new food substances, in the wake of several serious food safety incidents. It is more specific than the existing practice of Hong Kong under which "prohibitions are made as things go wrong". I hope that the SAR Government will learn more about the new practice of the Mainland, and further perfect our local food safety legislation.

Furthermore, everyone saw yesterday that some local vegetable wholesalers were of the opinion that vegetables from non-recorded stations had passed through the mainland inspection system or acquired mainland inspection certificates and imported into Hong Kong. Though both the Mainland and Hong Kong Governments immediately clarified and gave a lot of figures to prove that the imported vegetables were safe, I hope that the Government will consider the issues and concerns raised by the industry, so as to prevent the recurrence of similar incidents. However, it looks like that such incidents are not only the problem of Hong Kong, but also that of the Mainland. However, if Hong Kong does not exercise stringent control, then loopholes can easily be found on the Mainland.

In this regard, the DAB has held a number of discussions with the mainland authorities, and the representative of DAB has also submitted suggestions to the Central Authorities during the current meetings of the National People's Congress and the Chinese People's Political Consultative Conference, in the hope that the Central Government and the SAR Government can communicate more closely over this issue. These are our views on how to monitor food sources more effectively.

Deputy President, I would now move onto the issue of wet markets. We all know that though the operations of wet markets have experienced losses every year, it seems that the Government does not have any solutions for the problem, so what should be done? I believe that the Government should really put more efforts on exploring this issue. I often say that if a department is too big and has to perform too many jobs, then it may not be able to get even one job properly done. This is my opinion and I may not be correct, but should the Government reconsider the structure of some departments? If a designated department could be set up, then the management work could be taken up by the department. But the question I would like to raise is how the issue of food safety can be effectively managed through a designated department.

Deputy President, the DAB has raised the issue of freezing wet market rentals over the past several years, and I hope that the Government can continue to do a good job in this area by holding more discussions with the trade, so as to solve this problem.

Recently, the Government has raised in the Budget the issue of establishing a food testing hub. It seems to be a good thing and I also think that it is a good thing. Several years ago, the DAB already proposed that the Government

should take advantage of our local expertise and knowledge to work in co-ordination with the Mainland, in promoting the work of food safety monitoring. This testing hub can also deal with cosmetics or other products. I think that the Government should conduct this job expeditiously and systematically. In fact, I also raised this point in the motion debate which I moved several years ago on the development of the agricultural and fisheries industry, when I mentioned that wholesale markets — let us take a look at the Aberdeen live fish wholesale market which is flourishing, but the Government has not found this to be at all constructive and only regarded it as a mode of management. Let us also take a look at Shanghai and Busan in South Korea of today. When the news of the possible resumption of the Tsukiji market spread out, the industry immediately launched a campaign to set up a live seafood and shellfish wholesale market, and since then, its operation has become bigger and bigger and its business more and more flourishing.

Let us look back at the situation of Hong Kong. Though the total value of live marine fish catch in Hong Kong amounts to over \$10 billion, the Government has never offered any assistance to this industry for improving its management. If our industry is properly managed, then even those in the seafood industry on the Mainland will buy fishes, which have been monitored or quarantined by the Government, from Hong Kong and then transport them for sale on the Mainland. Let us consider why giant groupers cultured in Hong Kong can be sold to Shanghai. It is because we have done a good job on food safety. Why does the Mainland still have to purchase giant groupers from Hong Kong even though they are also produced on the Mainland? It is because they have confidence in Hong Kong. Why has the Government not given this point any consideration?

Deputy President, I would now like to talk about the industry which I represent. Some people say that this industry is declining and even some others say that it no longer exists. I often say that, unless people tell me that they do not wish to eat, do not wish to eat good food, or even do not wish to eat food which is safe, otherwise, since everyone still wish to eat good food, I cannot see why the agriculture and fisheries industry will have no chance for development. Let us look at our People's Republic of China which has stated very clearly the purpose of its policy on protecting the "three farms", namely, the farming village, the farmer and the farming industry, but on the other hand, what policies have the Hong Kong Government got? This also applies to the Financial Secretary and the Secretary for Financial Services and the Treasury who are now in this

Chamber the Government offered a loan of some \$200 million to the industry three years ago, but as of today, no fisherman has dared borrowing money from the Government for business developments due to the extremely high interest rate. How can our fishermen be able to afford it? The Government has not acted from the perspective of supporting fishermen or giving this industry a chance to develop, but for the purpose of regulation. In the event that a fisherman is unable to repay the loan, he will be arrested and his vessel will be subjected to closure. What kind of policy is this? Has this really happened? This has really happened and if you do not believe it, then you can find out the details by making an enquiry at the Agriculture, Fisheries and Conservation Department. Though the Government is of the opinion that this industry is declining, it has not offered it any protection.

All governments over the world have adopted a special view on the agriculture and fisheries industry, and do not just view it from the perspective of GDP, but from that of stabilizing public food demand, so why is GDP the sole consideration of the Hong Kong Government? Though the income generated from this industry and its value may be less than that of a building, its production value may benefit a lot of people. Thus, I think that the Government should explore on ways to operate this industry properly.

Deputy President, by May 16 this year, it would be the tenth year the People's Republic of China has enforced fishing moratorium at the South Seas and Hong Kong has also enforced the moratorium for nine years, but still, we can only borrow money from the Government and must engage in a fight with the Government every year over the issue of interests. And, it was only after we launched a demonstration on the sea that the Government would listen, pay attention to and care about this industry. This is already the tenth year which the moratorium has been in practice and the moratorium period is no longer just two months, but two and a half months. I have asked the Government what ways there are to let the workers or fishermen of the thousand or so fishing vessels learn some skills during these two and a half months. I have put aside their livelihood problem for the time-being and only wish to solve the practical problem of letting these people learn something more or even enhance their skills, but the Government has said there are none. Let us consider what kind of Government this is. The fishermen of Hong Kong has always responded to the call of the State in respect of fishing moratorium over the past 10 years, but the treatment they got is too miserable for words and they are even lower than the

lower class. This can simply be seen in the number of obstacles fishermen encounter when applying for CSSA payments from the Government in times of financial difficulties, which eventually result in fishermen getting no assistances at all. Someone is even in danger of going to jail because he has got a Rolex gold watch on his wrist. The watch has always been on the vessel, but the person has now been regarded as committing a crime for wearing it. As such, I have advised fishermen against applying for CSSA payments because they may then commit a crime, and not only their vessels, but even their sons or insurance policies may be implicated. Under such circumstances, members of the industry are very unhappy with the Government.

I hope that the Government will consider whether it should treat an industry in this manner. Over the past 10 years, the fishing moratorium period has been extended from two months to two and a half months, and may even be further extended in future, but has the Government offered them any assistance? Even the Mainland has offered a maximum diesel subsidy of as much as \$600,000 to \$700,000 a year, but does Hong Kong have such measures? No. I have recently held a discussion with the Beijing Ministry of Agriculture in the hope of asking the mainland government, not the SAR Government, to help them ride out the storm. Just imagine that our fishermen need to resort to such a means to ride over the storm. Can it be said that the Government does not think that it has owed the fishermen? Is the Government aware that it has not done anything for them? Even the thousand dollars or so licensing fee concession is absent this year, and the Government only offered such concession last year after fishermen went on a demonstration, but they are not given a single cent this year. Can the problem just be solved in this manner? The Government says that fishermen can run an operation in nine months and earn enough to cover the expenses for 12 months. This is what society thinks and how the Government treats them. If nine months' production is sufficient to cater for their needs in 12 months, then I do not know what purpose the remaining three months will serve. Thus, I think that the Government is firstly, completely ignorant; secondly, refusing to learn; and thirdly, having no drive at all. When these leading officials and government officials have no drive at all, how can they do a good job? They have refused to understand, to learn and care about anything, and they also fail to understand the development of the industry. From the perspective of the industry and society, will such an attitude result in a continuous increase of pressure on the Government? I think that it should really look into the matter seriously. Some members of the industry told me that they were

disappointed with this Government, the so-called leading officials in particular, for such officials virtually failed to listen to our views, and ignored us completely. So, what can be done?

As such, Deputy President, if I were to vote but I will not be able to cast a vote, because on the 22nd, the day of the vote, I have to go to the hospital for a surgery on my other leg, so (*The buzzer sounded*)

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

MISS TANYA CHAN (in Cantonese): Deputy President, Premier WEN Jiabao once again made the remark "confidence is much more important than gold" at the closing press conference of the National People's Congress meeting. I think that the Financial Secretary should really ruminate on this remark of Premier WEN for after reading through the whole Budget, and regardless of how we look, we still find that the Budget has not only failed to give us any confidence, but the Government also seems to have qualms in talking about "gold", as remarked by the Chairman of our party at the press conference on the day the Budget was delivered: "generous with words but tightfisted with the purse".

The Central Government spent RMB 4,000 billion yuan, which is almost 20% of the Mainland's GDP, to save the market. But, what has our SAR Government done? The total expenditure, as stated in the whole Budget of this year, only amounts to almost 20% of our GDP. Though the Government has \$500 billion in reserve, it is unwilling to "pump" even two more buckets of water to save the market. This really makes me wonder whether it is a people-based government.

Though the financial tsunami has broken out in full fury, the people of Hong Kong have still got thousands of billions in savings, so as long as the people of Hong Kong continues to have confidence in spending and investment, it will not be long before our economy recovers. However, though the Government says the objective of this Budget is to "preserve enterprises and preserve jobs", what are the results? The Civic Party has always advocated the idea of green economic developments, and other members of our party will speak on this point later or tomorrow. Today, I would like to talk about this issue in the context of "the lifetime of a person".

During this month, children, young people, middle-aged people, or even the elderly have criticized that the Budget has not offered them very much help, so may I ask where they can pick up any confidence. If the Financial Secretary were willing to introduce more bold and resolute measures, then we would have greater confidence and the Hong Kong economy could also rebound at a greater speed. Since the Financial Secretary anticipated that there would be a big deficit this year, can he just harden his heart a little bit more and spend more money on stimulating the economy and creating employments, so that everyone can breathe a sigh of relief?

Deputy President, in talking about the lifetime of a person, I have to start from childhood and first talk about the issue of education. Today, in face of problems such as constant fees increase of kindergartens, uneven distribution of resources for teacher training, increased pressure on teaching staff, and the drastic increase in the amount of school fees which parents have to pay out of their own pockets to make up for the differences in government subsidized and actual school fees, Secretary Michael SUEN can still describe the problems as "transitional" or "localized". As a matter of fact, these are absolutely structural problems and so far, Secretary SUEN has not responded at all to these problems. As such, when will Secretary SUEN be free to save this group of parents, principals and students?

Furthermore, we have often heard parents saying that the support given by the Government to students with special learning needs are really too little and that their children have a hard time in learning. The situation of those children whose medium of learning is not the Chinese language, and that is, "non-Chinese speaking" students with special learning needs can be said to be even sadder.

The Government says it will provide the English School Foundation with \$10 million in the coming five years, to cater for the needs of students of the special learning centre and 24 additional school places mainly targeted at junior secondary school students. Though this is a good direction, does the Government know that many non-Chinese speaking students with special learning needs are still queuing up for school places?

I have come across a mother who has a five-year-old son, a non-Chinese speaking student, who has already been assessed as a student with special learning needs by the Education Bureau. She received a letter from the English School Foundation School saying that her son was among the top three on the

waiting list. She was very happy for she thought that "the destination was near", but it turned out that she still had to wait for another 12 to 36 months. Just imagine that if they still have to wait for three more years, and it is impossible for the child not to go to school, what can the parents do? They can only take up a few more jobs and earn enough money, in the hope of sending their child to an international school.

It would certainly be better than nothing if they can afford to go to an international school. Though this is not the most ideal situation, at least it can be said that there is a place to "settle". The situation will be much worse if parents do not have money. How can children be able to cope if they have special learning needs, and do not know Chinese, but are forced to attend schools in the mainstream? This is actually unfavourable to teachers and classmates of the child and may also have a negative impact on the child.

In addition, emotional support is also very important to certain students with special learning needs. We have all learnt earlier that there are only a hundred or so education psychologists for some 800 000 primary and secondary students in Hong Kong. How can one education psychologist be able to take care of more than 8 000 students? On the average, each psychologist has got 140-odd cases in hand. So, even if they do not have anything else to do apart from dealing with the cases, they will only have two days each year for meeting each student. The condition of students who need to see a psychologist is certainly quite urgent. In face of such acute and serious cases, will it be adequate for the psychologist to meet the students only twice a year? Does it mean that all our educational psychologists have the power of Superman?

Allocation of additional resources and manpower is something of great urgency. However, the Government cannot think that its mission has already been accomplished by allocating additional funds. Last week, Miss Alice TAI, the Ombudsman also talked about one issue before leaving her post. She pointed out that some schools abused the use of resources allocated for students with special needs. As such, in the absence of regulation, even if the Government has a mind and the ability to allocate funds, it will only get half the results with twice the effort in the end. In the event of such situations, we will not let the Government get off easily, even if the Audit Commission does not interfere.

After talking about children, I would like to talk about young people. To the young people, the only thing which can help them in the Budget may be the Internship Programme for University Students. Though not everyone may have the opportunity to get an internship — we will definitely not say that this Programme is worthless — but since the Government spends money, the money should be well spent and it should also take corresponding actions, instead of just washing its hand of the matter once the money is allocated. Otherwise, unfortunately, the sum of money may only benefit a group of unscrupulous employers.

As the Government says it can only offer 4 000 internships, it must ensure that apart from being treated as cheap labour, the young people will also at least be able to learn something practical after completing the internship. Moreover, employers who employ the interns must make arrangements for someone to supervise and teach them, so that this group of young people will not keep on making mistakes.

However, such internship positions will only benefit university graduates of the current year. Graduates of last year who failed to find employments or those who once thought themselves as safe after securing employments soon after their graduation, but being laid-off during the earlier tide of downsizing, can only sigh at the doorway. Is the Government actually trying to help young people or lower the unemployment rate by utilizing \$140 million? Or that it does not wish to see its popularity rate continuing to plunge?

I hereby urge the Government to look carefully when it deals with employers' applications and also "keep a close watch" on approving the applications, in the hope that the Programme can really help young people.

As I have said at the policy address debate this year, many small and medium enterprises (SMEs) are the starting point of young people's career. By "preserving the SMEs", the Government will not only be able to help certain small bosses, but also a group of young people who are at crossroads to find a way out. Therefore, the Government must give out more "real money", and that is, to help the enterprises by giving out cash.

The Government has earmarked \$100 billion as a guarantee commitment for helping SMEs to secure loans. At a glance, \$100 billion seems to be a lot of money, but the Government does not have to give out any "real money" for the time being. I also hope that the Government does not have to give out any "real

money" eventually. I am not saying that this is not a good approach. However, I hope that the Government can actually give out more money, for example, to help enterprises by providing technical support for enhancing their technology and marketing skills through the Trade and Industry Department, so that they can get more business from overseas and continue to be self-reliant.

Deputy President, after talking about education and SMEs, I would like to talk about something which is very close to my heart, and that is, trees. In fact, the Secretary watched a performance by our group in the past. I remember very clearly that we displayed a lot of trees in the last scene, a scene with no sound at all but only pictures of trees, to create a contrast. Afterwards, many people complained that they did not know why we have spent so much time on this performance. I remember that it was the director who decided to do so, and he said, "Every tree is like an artist who has its own life, its own character, and has actually been struggling for survival." Up to today, I can still remember what he said very clearly. In fact, a tree is not only like an artist, but also like an ordinary person, thus I would like to take this opportunity to talk about trees.

The Coroner's court ruled earlier that the girl who was crushed to death by a big tree had died in accident, but it was an accident which could be avoided. This incident indicates that a big tree which has been neglected in its care can become a trap in the city. Yesterday, the Chief Executive assigned the relevant department and four Bureaux, the task of exploring measures on tree management and staff training, with safety as the main theme, under the leadership of Secretary Henry TANG. But I am afraid that the Government will eventually use the trees to say it bluntly, sacrifice the trees and saw them up, because what the Government wants is safety, the kind of safety which is definitely, definitely higher than 100%. By then, only certain extremely artificial greenery will be left in Hong Kong and there will be no more natural greenery.

In fact, this is another "structural" problem. I am not saying that human life is not important, but trees are like people and both have lives which should be cherished mutually. If only the Government can do a good job in the management of trees, maintain them properly and treat them expeditiously when they are ill, then trees will be healthy. Not only will the trees not collapse, they

will also provide us with clean and fresh air. A greener environment is also good for our younger generation. However, it is a pity that there are a lot of problems with the Government's current tree management.

If anyone felt alarmed in hearing earlier that an educational psychologist has to take care of some 8 000 students, then I can provide them with a more alarming figure. The Director of the Leisure and Cultural Services Department (LCSD) said that the department is responsible for taking care of 790 000 trees, but has only got 112 staff and calculation shows that each of its staff has to take care of 8 000 to 10 000 trees.

Since one staff has to deal with 8 000 trees, so even if they work every day for 365 days a year, they still have to deal with 20 to 30 trees each day. Everyone, please tell me how it is possible for them to make proper inspections and tests. The trees will certainly not be able to come up and tell you that they feel unwell. However, trees are actually very peculiar in the way that they can apply their own natural therapy and can give us some messages. In fact, our friends in the government department know all about this. That day, I heard two stories: If many leaves suddenly appear on the body of a tree, then it is actually trying to tell us that its leaves cannot get sufficient nutrients and it has to grow more leaves to get nutrients for its own support. And, if a tree knows that it will soon die, then species of tree which normally blossoms and bears fruit will blossom and bear fruits during the off season, because it wants to breed its next generation.

The trees are sending out messages to let people know and come to their rescue. Trees cannot come up to you and tell you themselves, so we must have enough manpower to make inspections and have a look at them, before we can save them. Therefore, I hope that the Government can allocate more resources, firstly, to nurture to find more people to train up its staff, so that they can have professional knowledge for carrying out certain front-line technical work, and do a good job on the management and maintenance of trees.

Furthermore, additional equipment should also be purchased. If you can still remember, you may recall why sonar detection could not be conducted on the day the tree collapsed. It was because the sonar detector had run out of batteries. Run out of batteries! I guess we know that in Hong Kong, there are several I do not wish to guess because I have done some

calculations I estimate that there are three, but I base my estimation on that there are several, and at least one should always be set aside and ready for use. But surprisingly, it has actually run out of batteries, and this is definitely unacceptable. I hope that the Government can consider purchasing more equipment and train up eligible staff to use such equipment, so that regular inspections can be better conducted. We can then save the trees at an earlier time if they have problems, for we are now talking about real trees, which we hope to save as soon as possible. We do not wish to concentrate on displaying artificial greenery and forget about our natural greenery.

There was a piece of news last Monday about a resident of Kau Lung Hang, Tai Po who found that the trunk of a 20-foot high big tree in front of his house had split open, and two of its branches were dead, so he sought assistance from the Government. He approached the Agriculture, Fisheries and Conservation Department (AFCD) but the AFCD told him to contact the Lands Department and the Lands Department asked him to contact the LCSD which eventually sent someone over for an inspection. The resident was told after the inspection that as the tree was on private land, they would call back after looking into the case. However, the LCSD did not contact the owner again. The case dragged on until he saw that the tree was on the verge of crumbling. Things were not looking so good for the tree was going to collapse at any time, so he called the police. But he still had to notify the Fire Services Department after making the report to the police. After firefighters arrived at the scene, they decided that it was dangerous, so they saw off some branches and then steadied the tree with ropes. Should such situations be the collective responsibility of all departments, or should there be co-ordination or shirking of the responsibility among the departments? I really do not know.

As advised by the Government, tree conservation is the responsibility of many, many departments at present, and each department has its own guidelines and its own teams, which amount to 15 in total. We expect that when the Chief Secretary for Administration presents his review report in three months, the Government will have a unified department to co-ordinate all resources for tree conservation; a department which can synergize, enhance efficiency, or even consider formulating long-term "trees legislation", so that old trees or big trees alike can continue to give us shades, and allow young trees and small trees to grow healthily.

Deputy President, trees are actually like people who will grow old and get sick, and this also applies to our economy. Our economy has now fallen ill, so what medications should be prescribed for its treatment? Prof Patrick LAU said one day that I looked like a doctor. Though I am not a doctor, I think that in addition to that I have to continue to play the role of a doctor today, the Financial Secretary may also have to continue to play the role of a doctor. He has to "diagnose properly", "diagnose more accurately", "apply heavy dosage of medicine", and even heavier dosages when the need arises, in the hope of curing the economy of Hong Kong as soon as possible.

I so submit.

MR FRED LI (in Cantonese): Deputy President, I would like to express my views on this Budget from several areas. I see that the Secretary is now present in the Chamber, so I would first like to talk about the issue of Disneyland. As Secretary York CHOW is not here, I will speak on his area later.

It was mentioned in the Budget that the Government is holding discussions with The Walt Disney Company on the expansion of Hong Kong Disneyland, but the Disney Company announced two or three weeks ago that it would lay off 30 engineers who were in charge of the engineering design works for the expansion.

(THE PRESIDENT resumed the Chair)

I personally believe that this is a negotiation strategy adopted by the Disney Company and I also think that this is a rather unscrupulous way for forcing the SAR Government to expeditiously put into effect an expansion plan, content of which is unknown to us, on the negotiation table. However, I have told the Secretary many times that the Disney Company has invited our Members in turns to have breakfasts and lunches at the Disneyland for lobbying us individually. They told us animatedly that US\$500 million was already in place for two years and could not understand why the Government was not willing to make concessions and grant support and why it refused to accept the "extra-favourable" terms they offered. I honestly do not know why the terms would be so "extra-favourable" that the Government could get on with the expansion without

having to pay anything and that the other party would inject several billion of dollars into the project. It has always been our hope that the United States party will inject additional funds, seeing that we have already contributed too big a "chicken", while they have only supplied a little "soy sauce".

We really do not understand the ins and outs of the matter, so, since the Secretary is now present of course, the Secretary told us at the previous meeting of the Special Finance Committee that there were sunny and shady sides to this matter. Though, I subsequently learned about the sunny side, I still do not have any idea of the "shady" side. And I still do not know anything about the "shady" side after all this time. However, I hope that the Secretary, if possible, could show some concern about the fact that many Members of the Legislative Council, at least members of the Panel on Economic Development, have continuously been lobbied, but it seems that the Government is not concerned at all about this matter. I think the Government should at least tell us what difficulties there are, what worries it has got and what requirements it has laid down, so that we can at least have a certain understanding. Otherwise, all we heard is the story of the other party. I hope that the Government we would also like to do better as a Disneyland is confirmed to be built in Shanghai. And, now it is also said that Shanghai will become an international financial centre in 2020. Though, I also like Shanghai very much, for it is my home city, the competitiveness of Hong Kong, our Disneyland in particular, will be on the decline, if that is the case. Tourism is one of our four pillars. If more and more parts of our pillars, parts of all our four pillars, were scraped away by others, things would become very terrible. The situation of our financial industry is already very terrible. Though I am a Member who fully supports the Government's Disneyland expansion project, I would only do so under the guiding principle of protecting the interests of Hong Kong people.

Furthermore, the Legislative Council has already endorsed the allocation of funds for constructing a cruise terminal. I hope that the construction works of the terminal will commence and be completed as soon as possible, so that small yachts and small cruisers will no longer have to be berthed elsewhere. Of course, some of them are gambling cruise vessels. However, we do not wish to see big cruisers berthing at the Kwai Chung Container Terminals or the China Merchant Wharf in Kennedy Town again because I think it is an eyesore. To those tourists — their consumption powers are relatively high — if cruise vessels

are berthed near container terminals, it would really not be a beautiful sight. Since the Legislative Council has given the Government its support, I hope that the works can soon be commenced.

Furthermore, before the completion of the cruise terminal, I propose that the Government should improve its existing mid-stream anchorage arrangements, so as to increase embarking points at both sides of the eastern Victoria Harbour for tourists of cruise vessels to shorten the voyage and journey time of connecting ferries. The Government should also provide appropriate ancillary facilities, transportation in particular, so that tourists can get on shore and visit our tourist spots via the shortest possible routes. These are our views on this point. As regards the Consumer Council — I must declare my interest in advance that I am also a member of the Consumer Council — I have a lot of comments to make on the "Supermarket Price Watch" and "Wet Market Price Watch" launched by the Consumer Council. When the Consumer Council was first established 35 years ago, it was to handle matters of wet markets. Who would have thought that it would once again take up the work which it has stopped doing for a long time after 35 years — it has my full support. I also understand that the Government will allocate more resources to the Council. What I would like to say is that I appreciate and support the Government in continuing to allocate resources for supporting the Consumer Council. Consumers will also wish very much to know what "additional resources" will be allocated and what special projects there will be in this financial year, for example, the Consumer Council will want consumers to know that there are still a lot of work which it is capable of doing but does not have sufficient resources. Therefore, I hope that the Government can allocate resources flexibly to the Consumer Council as far as possible.

Although the official in charge of environment affairs is not present, I still wish to express my views in relation to the power market. Since the two power companies have already signed the relevant agreements, we are concerned about the next step, and that is, the issues of power interconnection and opening up of the power market, in addition to the issue of air quality. I hope that the Government will start working on these issues, because the opening up of the power market will be an important task for the next 10 years. We hope that a better job can be done in the area of energy.

Let me get back to the subject of my expertise, and that is, food. And, food sampling is also my expertise. As regards the issue of food testing, I have

always been very concerned about the work of food testing. The Secretary has mentioned in the Budget that we will develop a food testing hub in the region. This is the first time I hear about this plan and we support this idea. Furthermore, as regards to the legislation on food safety, it is a pity that the legislation which is originally intended to be submitted to the Legislative Council in this Legislative Session has now been postponed to the next Session. I hope that the Government can submit the legislation as soon as possible, because I think that a very big safety net for food safety will be provided, if only the legislative work on food safety can be completed, and now only the last step is lacking.

Food testing is also very important. As regards the earlier incident in which melamine was found in milk, our food testing technology is already so advanced that we are capable of testing whether melamine are present in certain milk products or not within 24 hours and this is because Hong Kong possesses very advanced technology, but I hope all other regular testing work have to be laid aside to make way for tests on melamine if such tests have to be done, and the same also goes for tests which have to be conducted in relation to other unexpected incidents. We in the Democratic Party think that the ideal solution is to look into the possibility of the Centre for Food Safety setting up its own laboratory. Though there is a special department for food testing in the Government Laboratory, we think that the department may be entirely put under the management of the Centre for Food Safety since the Government Laboratory has to conduct other tests, including those on air quality and for other departments. I think a designated testing centre which is affiliated to the Centre for Food Safety should be set up for specifically testing food. We think that this will be better both in terms of administration and use of resources.

As regards the issue of vegetable traders blocking the Man Kam To checkpoint yesterday, I received a call which requested my presence and support. But, as I could not go out at that time, I am calling a special meeting at 4.30 pm this Friday to deal with this problem. My assistant went on an inspection tour to the Mainland and found that the problem of "vegetables from false origins bearing genuine labels" really existed. As we do not have any conflicts of interests or roles and are not involved with this issue in any way, we have only looked at this incident from the perspective of an independent party. We have discovered that we are now having a serious problem for some people have really put genuine place of origin labels on vegetables from farms which have not been

registered for supply to Hong Kong. To put it simply, we actually do not know where the vegetables come from and very often, they will be directly sold to restaurants and wet markets in Hong Kong. Orders for next day's vegetables can be placed by a phone call, but nobody knows where the vegetables come from. Though the so-called certificates of origin are real, the vegetables have not actually come from vegetable farms listed on the certificates, thus this is a very serious problem. I think that the problem will be getting more serious for the number of vegetable trucks has already increased from several in the past to the existing several dozens, thus the Government has to allocate resources to the Food and Environmental Hygiene Department (FEHD) for expanding its Food Control Office at Man Kam To.

Secretary, the Food Control Office was built some 10 years or so ago by the previous Urban Council. Back then, five-and-a-half tonnes trucks were used for transporting vegetables, but now their capacity have increased to 23 tonnes and the size of some container trucks are even bigger. Actually, it is impossible for the trucks to park in the car park of the Office, and let the food they carry be inspected. Thus, what we see is that the Office cannot keep up with the current situation, both in terms of the number and types of vehicles. Many vehicles have actually driven on recklessly to urban areas, because there is no way the authorities concerned can perform any tests. Thus, only 30% of the trucks, at most, will stay for a short while at the checkpoint — not for inspecting the goods itself, but only for inspecting their proofs of origin — and some of those 30% of trucks will really have their goods opened up for inspection, thus the inspection rate is not too high. Moreover, as such labels are genuine, the Health Inspectors of the Food Control Office at Man Kam To actually have no way to know about the problems of the vegetables and would allow the import of the vegetables as long as they see a label.

Therefore, I think that apart from solemnly pointing out the obvious irregularities and how the law could be enforced to crack down on such problems to the mainland authorities, the Hong Kong Government also needs to consider ways for helping vegetable traders. Many Hong Kong people have operated their own vegetable farms on the Mainland for exporting vegetables to Hong Kong, and their businesses have dropped by 20% to 30%, but this is not what I am most concerned about. What I am most concerned about is that we do not know where such 20% to 30% of our vegetables has come from, thereby resulting in Hong Kong people eating vegetables which have violated the original intent of such labels and the registered vegetable farm system.

Lastly, I call resident meetings at public housing estates every year after I receive the Budget of the Financial Secretary. As the representative of public opinions, I have been to 10 housing estates to convene residents meetings. Usually when I call such meetings, in regard to the Budget many people applauded the last Budget for lots of benefits were given out, and many kaifongs put up their hands in agreement and support. When I asked them whether they would cast a vote in support or against the Budget, I found that most people were in support and such was the majority view. This time, a lot of people also stood up, but some of their comments were made in foul language — I cannot repeat what they said here — and there were also a lot of grievances. Repeated requests were made on waiving the rates for two more quarters, in addition to the existing two quarters, and this is their suggestion. They asked why rates relief was only offered for two quarters. It was waived for one year last year, but only for two quarters this year.

Furthermore, they also hoped that the rents of public housing estates could be waived for three months. They said they have endured great hardships and this was the most practical solution for them. As regards other measures such as tax concessions of several thousand dollars, since many of them are actually low-income earners or without jobs, and do not have to pay taxes, the tax rebate measures have nothing to do with them. A lot has been said on integration and green environmental measures in the Budget, but the most important thing to these people, is that the rents they are facing today can be waived, and this is the most practical measure for them. I held meetings at 10 housing estates, but I did not have to say anything and the residents put forward such requests themselves. I only asked them what their requests and expectations of the Government were. I did not ask any leading question, and that is, I did not try to lead them in any way by asking them whether they were in support of waiving rents for three months or not, so as not to mislead them. These are the requests made by the residents themselves. These are the measures which the residents of 10 public housing estates found to be most practical. So, if the Government is in the position and wish to help them in this respect, and that is, to waive the rents of public housing estates and extend the waive of rates for another two quarters, then these are the measures they find best. Such are the views I collected after holding 10 resident meetings.

Secretary, I hope that this Budget can make for example, it is quite difficult for us, those in the Democratic Party, to vote for the Budget because right now that is, with regard to the original Budget, we cannot accept it. I

hope that we can continue to communicate with the Government and fight for the allocation of additional resources for creating employment opportunities to help people at the grassroots and the middle-class people who have lost their jobs in the current financial tsunami, on the basis of the Budget and in co-ordination with the current situation.

I so submit.

MR CHEUNG MAN-KWONG (in Cantonese): President, two teachers in the same government school have recently committed suicide one after another within the span of half a year. Apart from making us sad and mourning for them, this also proves that the temperature of the hot kitchen of the education sector has continued to rise. Of the eight cases of teachers committing suicide since 2008, six were connected with work pressure. This shows that the Government has not learned any lesson from the 10 000 teachers' rally triggered off by the suicide of two teachers in 2006; it has only become numb after the shock. According to the findings of surveys conducted by the Professional Teachers' Union in 2004 and 2008, the work pressure of teachers has ever been increasing and their mental and emotional health have gone from bad to worse; but the pace of educational reforms has not slowed down, with both old and new educational policies still coming in avalanches. Obviously, no matter whether its financial condition is good or bad, the Government has still failed to take proper steps to address the issue of teachers' work pressure and find solutions by getting at the root of the problem.

In implementing its reform, the Education Bureau always loves to put forward a slogan: "all for students, for all students and for students all". It would seem that teachers are laid back and not up to professional standard if they cannot reach this target. However, teachers are after all human beings who have careers and human relations as well as schools and families. If they always have to give all of themselves, then they will eventually lose themselves and become the high-risk group in their profession to suffer from emotional problems. According to the findings of a survey conducted by The Chinese University of Hong Kong and the Professional Teachers' Union, the work pressure index of teachers is at an average high of 77.57 points out of a maximum of 100 points. It is projected that 7 000 teachers in Hong Kong are suffering from generalized anxiety disorder, at a morbidity rate three times higher than that for an average person.

The findings of the survey show that the greatest source of pressure for teachers is from self-evaluations and external reviews, school-based assessment, reduction in number of classes and closures of schools. As a result of the Education Bureau's requirement of schools conducting self-evaluations and further monitoring and control through external reviews, teaching has become quantified and lost all aspects of humanity. When the requirement of external review was first introduced by the Government in 2003, it was at a time when the situation of reduction in number of classes and school closures was most unstable. With a sword hanging over the heads of the schools and threatening their survival, even the Education Bureau has to admit recently that certain abnormalities have resulted from self-evaluations and external reviews: The schools have expended all their energies on accumulating information; self-evaluations and external reviews have created an avalanche of documents; teachers have wasted their time on rehearsals and practices, the essentials of the education policy have been neglected; the priority for teaching and publicity have been confused; teachers have lost their professional independence; and teaching has become a sideline of external reviews. However, the Education Bureau is still unrepentant and this is really a great education disaster.

Reduction of the number of primary classes and closures of primary schools will soon come to an end, but the closure of secondary schools has reached its peak period. The authorities sharpened its knife against secondary schools with an enrolment rate of less than three Secondary One classes last year, and only introduced a new development plan and temporarily held its horses after the schools expended all their energies on fighting hard to save themselves; but there was still a total reduction of 200 classes and 7 000-plus school places in secondary schools. According to information provided by the Government, there were six districts in 2007 where secondary schools had more than 1 000 vacancies and the number has increased to nine districts in 2008, among which the secondary school vacancies for Sha Tin and Eastern District were more than 2 000. The continual decrease in the number of secondary school students of the relevant age cohort offers the best opportunity for implementing small-class teaching, particularly in districts like Sha Tin, Eastern, Tuen Mun and Tai Po which have more school places. Small-class teaching for 25 students per class can first be implemented in those districts, while schools in other districts can reduce their class sizes by two persons per year, or decide on the number of reductions in accordance with the population of the relevant district, and move in the direction of small-class teaching. What parents and teachers find most

difficult to understand at the moment is why small-class teaching is still not implemented to enhance teaching effectiveness when the student population decreases, school places become vacant and schools are closed.

When the new senior secondary academic structure is implemented in the new academic year, the Education Bureau should cease all self-evaluations and external reviews and cancel the mandatory timetable for conducting school-based assessments, so as to stabilize the pressure on secondary and primary schools and to reassure the people therein. This is the first and foremost task for removing barriers and untying the bounds on teachers. The authorities should extend the enrolment period for under-enrolled primary schools or give them a grace period of one more year to enrol more students. The practice of converting the "parents' choice index" into a school closure index for secondary schools should be changed, and secondary schools should be given an impetus to voluntarily adopt four classes as the base for operating their classes, and offered a transitional period of five years for freezing the number of teaching staff, so as to reduce the unemployment rate of surplus teachers and to alleviate their fears. In order to reduce the pressure on teachers and to enhance the quality of teaching, a resource-tilted policy is most essential; small-class teaching should be implemented on a comprehensive basis, teacher-student ratio should be improved, the number of teaching sessions for teachers should be reduced; and sufficient teachers should be provided for the implementation of the new senior secondary academic structure, including those for teaching applied learning subjects which are mainly in Group 3 and also to cater for the needs of group teaching. Currently, about 20% of the secondary schools have to cut down on the number of teachers due to the implementation of the new senior secondary academic structure. This is an extremely ridiculous policy. I request that with the exception of schools which have reduced its classes, the Government should not cut down on the number of teachers in all schools implementing the new senior secondary academic structure. Since even the most skilled cannot make bricks without straw, how could teachings be conducted without manpower?

Furthermore, the Government should not disregard young teachers who have joined the profession between the years of 2000 to 2006 on grounds of the economic recession, and fail to take into account the length of their services in adjusting their entry salary, thus resulting in unequal pay for equal work and creating a rift among teachers. Such young teachers have already suffered from pay reduction when they joined the profession eight years ago; and serious consequences will arise if their pride is hurt in the course of the salary adjustment

exercise: The salaries of graduate teachers who joined the profession before August 2007 are even lower than those of newly-recruited or newly-transferred graduate teachers in the same school by two points. That is to say, those with fewer years of service will have higher salaries. This is ridiculous and has dealt a double blow to the graduate teachers who are affected. The civil service remuneration policy of the Government specifies that: From the perspective of human resources management, the Government cannot allow a serving civil servant to be paid less than his/her junior in the same entry rank. The current salary adjustment incident is obviously in contravention of the civil service pay policy. The authorities should not delay this matter under the excuse of poor economic conditions. The Professional Teachers' Union will definitely not give up its goal on demanding justice for young teachers.

President, since the implementation of the Education Voucher Scheme in kindergartens, the pressure on teachers have extended from secondary and primary schools to kindergartens. When the Legislative Council discussed the review of the Education Voucher Scheme last month, there was great resentment among the 30-plus organizations which were present. More than 100 parents also brought along 10 000-odd signatures and launched a protest in a flood of public outcry outside the Legislative Council Building. The kindergarten education sector has already been driven beyond the limits of their forbearance. Though the Government has asked kindergarten teachers to enhance their qualifications, it has also abolished their salary scale and the salary of kindergarten teachers can always be reverted to the starting point when they go and teach at another kindergarten. The Government has also set the ceiling of \$24,000 on the fees of half-day kindergartens, and fees charged exceeding this limit will not be eligible for subsidies under the Education Voucher Scheme, thus kindergartens are forced to cut down on their expenses, including freezing the salaries of their teachers and principals. Though teachers have studied hard for three years to enhance their qualifications to certificate and graduate level, their salaries have not even been increased by \$1. Let us be true to our conscience and ask what kind of rationale this is. And, as a result of the introduction of the Education Voucher Scheme, self-evaluations and external reviews were also implemented at kindergartens. They are now subjected to the same fate of secondary and primary schools and their situation may even be worse. As the results of their external review have to be uploaded onto the Internet and also linked to the Education Voucher Scheme, abnormalities and distortions would certainly be resulted. Kindergarten teachers are so wrecked and hard pressed by the newly-increased workload that they are unhappy despite their youth.

At present, for both half-day and whole-day kindergartens alike, the amount of subsidies under the education vouchers is based on the number of students, regardless of the fact that the service hours for whole-day kindergartens are longer and the number of approved students is fewer. As such, no matter whether it is in light of the amount of basic subsidies or teachers' allowance, it is unfair to students and teachers of whole-day kindergartens. So, how can parents not be full of resentment? According to the new ceiling imposed by the Education Voucher Scheme on the amount of fee reduction and remission, those for whole-day kindergartens are set at \$25,400 for a fixed period of five years; but how can the operation costs of kindergartens, including rents and teachers' salaries remain unchanged for five years? Currently, the median of whole-day fees has reached \$28,000-odd and the fees of 95% of the whole-day kindergartens have exceeded the ceiling on the amount of reduction and remission. Thus, even families with the need have to give up whole-day kindergartens unless they can afford to make up for the shortage in subsidies. In face of the huge pressure on kindergarten teachers and strong dissatisfactions of the kindergarten sector and parents, the authorities must review and rectify the structural loopholes of the Education Voucher Scheme as soon as possible.

Donald TSANG has issued an advance warning on the unemployment situation in summer, and the Financial Secretary has increased the number of places for the postgraduate research programme and introduced the Internship Programme for University Graduates. However, does that mean that the Government can "follow the beaten track" and just take a page out of the Youth Work Experience and Training Scheme, under which the Government and the employer each contributes \$2,000, and regard it as "supporting enterprises and preserving jobs"? Does that mean that the Government can just borrow indiscriminately from the promise it made last year to add 8 000 places to postgraduate research programme and confuse us by mixing such places among the rest? In fact, the representatives of the chambers have already indicated that \$4,000 will be used as the pay indicator for employing university graduates. Thus, the guaranteed pay has become the minimum pay, so how can university students not be furious?

President, the Government does not have any proper ways for saving the economy. Its policy is confusing and its arrangements are inappropriate, as in the case of the introduction of a means test for the "fruit grant" and the chaos brought about by the suspension of government levy on domestic helpers last year, which were all wishful thinking and a scene of disorder. Moreover, the

Internship Programme for University Graduates proposed in the Budget has abandoned graduates of associate degree from the very beginning and they have only been included in the Project Springboard and the Youth Work Experience and Training Scheme intended for non-engaged youths after the Government has been criticized. President, associate degree graduates are once again treated as new targets for training programmes. First of all, it was the Retraining Programme of last year and this time, it is the Project Springboard and the Youth Work Experience and Training Scheme of the Labour Department. Does the Government understand that the most practical need of associate degree graduates is to further their studies, or job opportunities offered under the lead of the Government? The Government should not treat graduates of associate degree as human balls of education, and should not concoct excuses for avoiding the actual demands and aspirations of associate degree graduates in respect of their needs for further education.

After all, the Government cannot hold tight onto the university place indicator of 14 500, for this has already resulted in 6 000 Advanced-Level Examination candidates failing to attend universities each year, even if their examination results have met the entrance requirements, and thousands of associate degree graduates failing to continue their studies, even if their results are excellent and have the opportunity to apply, because universities do not have enough articulation places for them. Does the Government prefer to import university graduates of the Mainland, instead of increasing the number of university places in Hong Kong, thus resulting in man-made unfair competition between local students and mainland youths? As such, how can the young people and parents of Hong Kong not be furious?

President, as the Member representing the education sector, I would like to express some views on behalf of the education sector in relation to the incident of the use of foul language by Members in the Council. Legislative Council Members are representatives of the people, or even role models for students, thus their words and deeds will have great impacts on both society and students. All Members should conduct themselves with dignity. While their views can be radical; the terms they used should be civilized. As the saying of LU Xun goes: Insults and threats are not combats. I do not wish to argue what foul language is and in fact, everyone knows in his heart whether or not it is foul language. Not only foul language is banned at the Council, certain non-parliamentary language is also forbidden. This year is the 20th anniversary of the 4 June incident, and even back in the year when the 4 June incident occurred, when the Chinese

Government suppressed the people by using tanks and machine guns, the democratic camp of Hong Kong made a very important decision back then, and that was, all activities had to be conducted in a peaceful, rational and non-violent manner to show our resistance and anger, let alone the Council of today?

I understand that the Council is not democratic. Very often, the arguments of Members are not accepted in the Council, which makes the democratic camp very discouraged; but this is not the excuse for us to use violence against violence, or to use abusive and non-parliamentary language. I hope that this state of affairs will now come to a stop. In fact, I really do not wish to criticize my friends, but there is a saying which can be changed into: I love my friends, but I love the truth better. I earnestly hope that we can have a democratic, civilized and reasonable Council. Thank you, President.

MRS REGINA IP (in Cantonese): President, just now a number of colleagues have asked the Government to introduce more relief measures or the so-called "additional relief measures", and have put forward many recommendations that attend to the people's livelihood. Therefore, I will not spend too much time in this area. I only wish to say — unfortunately the Financial Secretary has just left the Chamber, I hope he will soon come back — I would like to talk about the long-term economic strategies the SAR Government should adopt today, and how the government structure should complement such strategies. I would also like to put forth two to three more specific issues, including tackling the Lehman Brothers incident, providing elderly care services, and securing employment for students.

In respect of long-term economic strategies, I am pleased to see that the Chief Executive has attached greater importance to the development of technological research and creative industries in the 2008 policy address, and has put forward two policy objectives. However, it is a pity that apart from the policy objectives, substantial contents are relatively insufficient.

I am also happy to see that in this Budget prepared by the Financial Secretary, there is a policy agenda called reaching into new economic territory, under which details of a technology-based economy, the Science Park, the industrial estates, and a creative economy are discussed at greater lengths. This is gratifying. Nevertheless, with respect to the contents, they still give the

impression of inadequacies in terms of innovativeness and intensity. Yesterday, the Financial Secretary delivered a speech at a forum on creative business. Unfortunately, we could still feel the lack of innovativeness on the part of the Government. Since many officials are present now, I would like to tell them that in future discussions of technological innovations at the Legislative Council, it is advisable that officials no longer cite DuPont as a successful example. This has been mentioned many times before. And this is the only example. It reflects the insufficient effort the SAR Government has been devoting to the promotion of technology development.

Take the speech delivered by the Financial Secretary yesterday as an example. Among the three examples cited by him, only one is relatively new, that is, the electric vehicle. Insofar as the Octopus Card and DuPont are concerned, the Octopus Card was introduced a long time ago. As for DuPont, in fact, it is pathetic if the Government has only one technological research project that is worth recording in prominent coverage over the past 10 years. In other countries, such as Korea, as Mr Andrew LEUNG has pointed out just now, has devoted a lot of efforts to promoting creative industries over the past 10 to 20 years, which have resulted in glamorous achievements attained today not only in Asia but the whole world. In any case, it is a good thing that the Government is willing to talk more about creative economy.

It is not my objective to criticize officials. As a matter of fact, I am rather sympathetic towards the officials concerned. They are fettered by old conventions. During the colonial era in the past, the Government adopted the principle of "positive non-intervention". Officials tried to do as little as possible. Of course, under the economic environment of those days, if there were already automatic growth in economy and trade even when the Government did not invest much, then why should more be done? At that time, Hong Kong was also under restrictions of being a colony. There were already outstanding developments in technology industries in the homeland of the sovereign state, the United Kingdom. If they had a state-level laboratory in Cambridge for the research of a certain innovative technology, would they carry out the research in Hong Kong? They certainly would not do so. Since it was a colony, and they had no idea when the colony would be handed back, they would not invest too many resources in education as well. Why should they devote so many efforts to educate the nationals of another country?

Therefore, compulsory free education was introduced in Hong Kong only in 1978. For a very long period of time, elite education and operation of schools under the sponsorship of voluntary bodies were implemented in Hong Kong. Insofar as resources invested in education are concerned, although the Financial Secretary and the Secretary for Education often inform us that for every four dollars, one dollar has already been invested in education, resources invested in scientific research and education are still inadequate when compared to many advanced economies. So I urge officials concerned to make good use of this new economic strategy — as a matter of fact, it is not something new, but something old. SOLOW, the economist who won the 1987 Nobel Prize — Prof SOLOW of the Massachusetts Institute of Technology, had pointed out in the 1950's that from his study of the economy of the United States, he had discovered 80% of the economic growth of the United States came from scientific innovation. Its advancement relies heavily on technological developments.

Hong Kong is a city of high living expenses and high costs. The key to our future economic development is to find every possible way to enhance the value-added contents. We are happy to see that with current matching transport developments, we will be able to establish a living area of the Greater Pearl River Delta. But in fact, this is not genuine good news, because this only facilitates people of the Pearl River Delta to come to Hong Kong for shopping. If they can manage to complete their trip within a day, the practice will facilitate "itinerant traders". Completing their trip within a day means they do not even have to stay in hotels. Without the development of new industries, Hong Kong will then be degraded to a city of retail activities and low value-added tourist industry. This is particularly so when a few days ago, there was a large amount of media coverage in Hong Kong of the decision made by the State Council of the People's Republic of China to develop Shanghai into an international financial centre as a move to complement the economic strength of China and the full convertibility of Renminbi.

Of course, I agree that there can be more than one international financial centre in our country. And I do not believe Shanghai can completely take the place of Hong Kong. But when that happens, in particular, when Renminbi becomes a fully convertible currency, I believe the status of Hong Kong as a "headquarter economy" will encounter severe challenges. By then multinational finance corporations will not have ample reasons to set up their headquarters in Hong Kong. The headquarters of these corporations will be scaled down even if they are set up here.

Thus, we need to devote more efforts in promoting high value-added industries. According to global experience, there are no more than two approaches to promote high value-added industries. One of them is to capitalize on the use of technology. For instance, the most successful corporations in the world, such as Google, Yahoo, YouTube, and so on, are capitalizing on the use of technology. These corporations with rapid growth and high market value may not necessarily adopt the latest technology, but they know how to make use of new methods to build a technology-based corporation.

The other approach, which is creativity, is accessible to Hong Kong people. Creativity involves building up brand names. Creative products are high value-added products because they are selling an identity, a culture, a special "feel". I have talked to officials concerned that creative industries also involve technology and culture. For example, one of the most successful creative industries, Hollywood, is an industry which combines technology and culture.

Despite the fact that there are only two to three years in the remainder of the current term of the SAR Government, I would like to urge the Government to consider reorganizing the government structure, taking out culture, technology and creative industries to form a new bureau. There are precedents to this practice. There is the Department for Culture, Media and Sport in the United Kingdom. In our country, there are the Ministry of Culture, the Ministry of Science and Technology, and the Ministry of Industry and Information Technology. There are such arrangements in many other countries and cities. The SAR Government has always found the handling of technology a headache. They have no idea under which bureau technology should be placed. Previously they put information technology under the purview of broadcasting. Later, technology was integrated into commerce and industry. In 2007, when every country attached great importance to technology, the Government even inexplicably deleted the term technology. As a result, we lost the banner of technology in the Special Administrative Region. The Financial Secretary knew the technology sector was very disappointed at that time. The sector even protested against the move but of course to no avail, right?

Today, if we wish to develop creative industries, we should set up a department of technology, creativity and culture. I have told Secretary LAU before that creative industries and culture are actually inseparable. The

development of the West Kowloon Cultural District is also inseparable from the issues of what local culture of Hong Kong is and what kind of culture we should promote. Thus, I urge the Financial Secretary to consider this issue.

Now I would like to talk about the issue of Lehman Brothers. Since the Lehman Brothers Holdings Inc. filed for bankruptcy on 15 September last year, Hong Kong people have been beset by the incident for over six months. The hearings, conducted by the Legislative Council, are in progress. And they are part of a long process. I believe the victims of the Lehman Brothers incident have now realized that the investigation conducted by the Legislative Council will not solve their problems or provide them with answers, not to mention help them obtain compensation within a short time.

I stress that I am very disappointed with the Government in its handling of the issue. The Financial Services and the Treasury Bureau has offered only one solution, that is, the banks have to provide "all-inclusive" compensation. After the banks opted out of this solution, it has not proposed any new measures. It has been unwilling to consider the proposal put forward by me and some independent Members. We have proposed that the Government and the banks should bear half of the compensation from the outset, and put in place a levy scheme to levy the amount from the sector in the future, with a view to providing immediate financial relief for the victims.

With regard to other options, I think the Government should at least consider increasing legal aid for the victims. Many victims told me that they were forced to accept settlement with the banks even though they could only get back one fourth of the original amount. These victims are members of the general public. There are over 40 000 victims, but only 20 000-odd of them have lodged complaints. Those experienced investors with relatively good financial status have not even lodged their complaints. Those members of the public told me that they did not have financial means to file a lawsuit. When the Court rules their cases are not small claim cases, they will have to be heard in the District Court and the High Court. They do not have financial means to continue with the litigation. With an obvious disparity in financial strength, they have to accept the meager compensation offered by the banks. The banks are even indifferent to them. Justice can only be done to the victims if the Government adopts a more flexible attitude by increasing injection in the Consumer Council, or relaxing the eligibility criteria of the application for legal aid immediately. I still hope that the Financial Secretary will consider this

because up until today, the Government is still unable to tell us when the Securities and Futures Commission will complete the investigation of the first case that involves banks.

Moreover, I would like to put forward some specific issues relating to people's livelihood. I have brought one of them to the attention of the Financial Secretary before, and that is, the issue of the elderly. Many colleagues have mentioned the issue of the elders waiting for residential care places just now. I am not going to repeat that. Some elders have also mentioned to me the issue relating to "well-off tenants" of public rental housing (PRH). I believe the Financial Secretary knows what I am talking about. With the category of well-off tenants put in place, every time the Financial Secretary and the Chief Executive introduce the relief measure of waiving the rent of PRH, the well-off tenants are unable to benefit from it. Furthermore, if waiving of several months' rent is granted to ordinary PRH tenants, they will be very disappointed when they are completely ineligible to the benefit. In fact, many of the so-called well-off tenants — in particular, the elders — have become tenants of this particular category because they are living with their children. Surely it does not mean that they have to expel their children so as to reduce the income of the household before they can be benefited?

In addition to that, the issue of some elders of the middle class also deserves the Financial Secretary's consideration. Is it possible to make some arrangements for rates concession if the elder has only one self-occupied property? Many elders of the middle class told me that due to the heavy burden borne by their children, they could not afford to give them much additional money. Insofar as the elder who has only one self-occupied property is concerned, if he is offered assistance in the form of rates concession, it will give him the impression that this is an attempt of the Government to repay the elderly.

Lastly, when I arrived at the Legislative Council just now, some students told me that they were not satisfied with the allowances provided by the Government to interns, in other words, the initiative under the internship programme. Some elders also expressed the wish for a universal retirement protection scheme. With regard to this proposal, Secretary, as a matter of fact, I have replied for you. I told them that they might not find my words pleasant to the ears, as contributions had to be made to the scheme in overseas countries. Everyone has to pay heavy taxes. Even a cup of coffee is taxable. A certain percentage of the wage has to be deducted for social security. If we have to

implement the universal retirement protection scheme in Hong Kong, we will have to reconsider conducting a review of the tax regime. I am happy to inform Members that my words were not met by catcalls. The social worker responsible for the proposal also told me politely that they were willing to further study the issue. These fundamental issues concerning the tax regime have posed obstacles for us to improve our education, create more jobs that complement various abilities and qualifications of our young people, and do more for our elderly. We need basic tax reforms. I hope that the Financial Secretary will not shrink back from difficulties. Since the SAR Government has not been successful with the introduction of the goods and services tax, it has not ventured to reconsider the issue. In the interest of our next generation, I hope the Secretary will seriously consider this issue.

MR FREDERICK FUNG (in Cantonese): President, while we are focusing our debate on the Budget for two consecutive days in Hong Kong, I am of the view that we should also look around the world, and try to understand what approaches various countries are adopting to ride out the financial tsunami. By comparison, the HKSAR Government is weak and feeble, and has not even tackled the problems brought by the financial tsunami to Hong Kong. At this moment, the world is focusing on the G20 Summit scheduled to be held in London soon. We can see that the three major camps in the G20, including the United Kingdom and the United States; the European Union; and the developing countries headed by China are exerting their influence, with each of them demonstrating its strength. While the United Kingdom and the United States are advocating to spend money generously to stimulate the economy, the European Union is putting its emphasis on a comprehensive reform of the financial system. Meanwhile, the developing countries are stressing they should have more say in the international financial institution.

President, ZHOU Xiaochuan, the Governor of the People's Bank of China has earlier put forward a proposal of creating an international reserve currency that transcends the sovereignty of a nation, with a view to replacing the US dollar as the world reserve currency. His proposal has led to extensive discussions among various countries. These moves of expressing their own ideas have displayed that all countries are hoping to increase their own bargaining chips and interests before the G20 Summit commences.

Nevertheless, irrespective of how individual participating country of the Summit is going to compete, differ in opinions, engage in intensified discussions or arguments, each of them has various measures to tackle the financial tsunami. I am going to cite some examples. Some countries increase expenditures to stimulate the economy and create employment opportunities; some countries increase the capital liquidity of banks to maintain money flow of the lending market and alleviate the impacts on the real economy; and some countries set their targets on monitoring financial institutions and safeguarding investors.

However, have the SAR Government and our Financial Secretary, as the steering helmsmen of the Budget, devote any efforts in these areas? Although the Budget has pointed out that the global economy is experiencing the most severe challenge since the Great Depression of the 1930's, and that the financial tsunami has already proliferated from the financial sphere to the real economy; the entire Budget has not applied any effective remedy against the adverse impacts. Similarly, the Task Force on Economic Challenges has produced numbers of jobs by "the act of blowing up figures", and they give it a fine-sounding description of "counter-cyclical" — a counter-cyclical fiscal policy. But in fact, contrary to the counter-cyclical fiscal policy, the amounts to be spent by the Government on government expenditure and public expenditure are lower than those of the last financial year. The public expenditure in the following five years will be brought down to below 20% of the Gross Domestic Product (GDP), to about 19%; a figure lower than the percentage after the Asian financial turmoil of 1998-1999 as well as the percentage after the outbreak of SARS in 2004-2005.

President, in adopting the so-called counter-cyclical fiscal strategy, the Financial Secretary is, in fact, making an "empty talk". The sacred and inviolable policy of "small government, big market" formulated by the Government in the past is, instead, the "concrete measure". Indifferent to the suffering and hardship of the public, the Government is keeping a stringent control on public expenditure to below 20% of GDP. In the face of the once-in-a-century financial tsunami, the Government has remained unchanged. Thus, it is obvious in this year's Budget that, in facing the financial tsunami, the Government is still upholding its established policy of regarding the Budget as some general commercial accounts, taking on the task of controlling and contracting the expenditure. It has contributed neither to financial management principles, nor economic policies, but has only adhered to the old habit of being a miser.

President, tens of billions of dollars have already been invested by various countries of the world to rescue the economy, with an effort to cushion the impact of the financial tsunami on the real economy and to prevent the economy from slipping into recession. Gone is the so-called theory of "regulation and self-help initiated by the market" which does not work. There are many examples of nationalizing the banks and communizing the enterprises. It is estimated that the series of stimulus initiatives taken by countries worldwide will have a lifting effect on the World GDP by more than two percentage points, and create 20 million employment opportunities. Earlier, large-scale stimulus packages were proposed by China, the United Kingdom, Japan, and the United States. For instance, a RMB 4,000 billion yuan all-directional investment package was launched by China, which was followed by the support plans for 10 key industries.

President, Premier WEN Jiabao has also indicated that the Central Government has prepared plans to cope with even bigger difficulties amid the financial crisis, and has gathered sufficient "ammunition" to put forward new stimulus package at any time. Recently, the State Council has proposed to develop Shanghai into an international financial centre, which has immediately given rise to concern from all sectors in Hong Kong. This has reflected that the Hong Kong Government is totally insensitive to economic situation. With its sole reliance on the financial industry, it stresses on short-term interests only, and continues to uphold its policy of finding its way as it proceeds. President, as this is the case, we can see that in the face of the financial tsunami, the SAR Government has not only done nothing to tackle the problem, but has also demonstrated its lack of foresight, lagging behind the times and events.

With regard to monitoring financial institutions, Timothy GEITHNER, the Secretary of the Treasury of the United States, has recently unveiled the blueprint for the financial regulatory reform, claiming that a brand new rule of monitoring will be formulated. The initiatives include incorporating institutions such as large hedge funds and private equity funds, as well as financial derivative products such as credit default swap under the regulatory regime. Institutions concerned are required to register with the authority and disclose more information about transactions. Moreover, the Government of the United States also plans to apply a higher capital adequacy ratio to large financial institutions, hand over the trading and clearing of certain derivative products to stock exchanges, with a view to enhancing the transparency.

How about Hong Kong, an international financial centre? Apart from continuing to deny any loopholes in the regulation of financial products, the SAR Government has not devised concrete and new initiatives to improve the regulation of financial institutions and derivative instruments. While the regulatory authority insists on clinging to its powers, the government bureau continues to accord interests of financial enterprises at the top of its priority. It is clear that there is a total lack of determination on the part of the authorities to implement a comprehensive reform of the existing regulatory regime, or put in place a proper statute that aims at protecting investors.

President, generally speaking, the means employed by the SAR Government to tackle the financial tsunami is not a counter-cyclical policy, but a strategy of being a miser, which is counter-economic recovery. The Government is still pinning hopes solely on chance and luck, hoping that the external economic situation will improve so that it can reap the fruits without having made any effort. Content to operate under the curse of a "small government", the Government persists in contracting public expenditure, completely neglecting the effect of increasing government expenditure on stimulating the economy.

President, with respect to this year's Budget, insofar as the Hong Kong Association for Democracy and People's Livelihood (ADPL) is concerned, "creating jobs, preserving employment, and assisting the jobless" form the main axis of our aspiration. We advocate the increase of government expenditure with a targeted approach to stimulate the economy, thereby cushioning the impact of the financial tsunami on the real economy, and counteracting the pressure of pushing the economy towards recession.

We opine that it is necessary for the authorities to introduce short-term relief measures as well as take into account the long-term economic development of Hong Kong. In view of this, during the economic recession, the Government must break away from the established thinking of relying solely on the free market, restructure the *laissez-faire* economic policy, and through the injection of more resources and complementary policies, take into account the short-term and long-term needs of society; expedite infrastructure development; stimulate employment; assist social enterprises; promote diversified economic development, and solve the social problems that have been besetting us for a long time.

As a matter of fact, according to data, the economic prospect of Hong Kong is not optimistic at all. The growth in GDP has slackened for three consecutive quarters, with the fourth quarter of 2008 recording a contraction of 2.5%, the worst performance for the past five years. With the blow of the weak demand in foreign trade demands, the curtailment of internal demand and the effect of shrinking wealth, there was a drop of 22.4% in the total export for the first two months of the year in Hong Kong, the steepest fall since 1958. Meanwhile, the import fell by 22.8%. This alarming figure reflects the increasing adversities in the trading environment.

President, the effects of the financial tsunami on the employment of Hong Kong have gradually surfaced. The emergence of waves after waves of closure of enterprises, layoffs and pay cuts has hit the local employment market. Unemployment is aggravating in Hong Kong. There has been a drastic rise in the latest unemployment rate, from 4.6% to 5%, the highest level for the past 34 months. The unemployment rate is expected to rise further in the next few months. Meanwhile, the numbers of Comprehensive Social Security Assistance (CSSA) recipients under unemployed category and low-earnings category have increased 3.5% and 2.8% respectively, the largest increase since 2003.

President, during the past debates, I have stressed many times that apart from the substantial impacts on society as a whole generated by various adverse factors such as the downturn of the overall economic environment, the rise in unemployment rate, and the persistent high food price, the grassroots are particularly hard hit. During the economic good times, the grassroots are unable to share the economic fruits. But during the periods of economic downturn, they are the first to bear the brunt. The latest statistics have revealed that within a month, there has been a drastic increase of 35 000 families with a monthly income of less than \$4,000. Financial Secretary, do you know there are such facts? At present, there are 190 200 families that belong to this category, an increase as high as 22.7% — an increase of 22.7% within a month. These figures have been sound proof of my words. Under the existing circumstances of tilted economic policy and unequal distribution of wealth, the grassroots are forever, forever, forever at a disadvantageous position.

Regarding various means to create employment opportunities, the ADPL has put forward many recommendations before, including expediting investments in infrastructure development, increasing small and medium works projects on the district level, and developing green economy. Moreover, the authorities

should also examine the role of urban renewal. It is advisable that during the times of economic downturn, dilapidated ancient buildings in old districts which are beyond repair should be acquired in an extensive scale. This will not only improve the lives of residents of old districts, the demolition of old buildings will also create employment opportunities. On the other hand, the ADPL has all along hoped that the Government will increase the number of the public rental housing (PRH) units. The number of PRH units was reduced from the previous 40 000-odd units to the present 15 000 units. Increasing the number of units to 20 000 will not only improve the living environment of families in poverty, but will also increase employment opportunities.

The ADPL has also urged the Government to mobilize a capital amounting to about \$3 billion in the future to create community jobs throughout the 18 districts of Hong Kong in response to the unique circumstances of various districts. On average, about 2 000 jobs for each district will be created with the aim of complementing the needs and future developments of the respective local communities. The Home Affairs Department and the District Councils may be considered as the co-ordinating agencies of the project.

Another proposal put forward by the ADPL to the Government is the development of social enterprises. By creating job opportunities directly at the local community level, the disadvantaged groups of society will be provided with additional development opportunities. Targeting at the problems in the development of social enterprises, including inadequate start-up funds, low capacity for raising funds, and poor experience in operating business and management, we propose that the Government should allocate \$500 million to set up a "social enterprises head office" with a view to promoting the development of social enterprises on a larger scale.

Unfortunately, with respect of creating employment opportunities, the Budget is wide of the mark. As the unemployment rate continues to surge, the Financial Secretary has not been attending to the job of allocating resources to the vulnerable labour sector in the Budget; instead, he has shifted the focus to providing internship opportunities targeted at addressing the job demands of university graduates, with a view to lowering the unemployment curve. This kind of employment stimulus package by "the act of blowing up figures" is, indeed, disappointing.

President, these are not the only disappointing aspects in the Budget. Similarly, in respect of assisting the unemployed, the Budget has not addressed the core of the problem. In fact, currently there is a certain threshold for CSSA recipients. Immediate assistance will not be provided for short-term unemployed wage earners. In addition to these requirements, the labelling effect of CSSA is also a disincentive for some short-term unemployed.

Therefore, the ADPL has proposed that the Government should put in place the short-term unemployment financial assistance independent from the existing CSSA system — a short-term unemployment financial assistance scheme. It will be an all-directional short-term unemployment financial assistance scheme, with flexible and appropriate all-directional assistance (including measures such as time-limited financial assistance, tailor-made employment training and employment placement to help the unemployed) to serve as a second safety net. This initiative will help those marginal group that hovers on the threshold of CSSA turn unemployment into opportunities in the short term, enabling them to find jobs through training and employment counselling service.

President, with regard to the long-term development of Hong Kong, the ADPL has all along proposed that Hong Kong should move towards diversity in its development. Unfortunately, the Government has been refusing to act on grounds of a free market and free-market-led approach. As a matter of fact, Hong Kong has been over-relying on the pillar of our financial industry, resulting in our insufficient capability of resisting adversities, and even the lack of developing opportunities for the grass-roots workers. We propose that the Government should vigorously expand new points of economic growth; develop high-technology industries, creative industries and green economy in a proactive manner.

Lastly, I would like to point out that the Budget has not pinpointed the overall economic policy to conduct in-depth and constructive discussions. As we all know, the source of the financial tsunami comes from the *laissez-faire* free market policy and the lack of effective regulation. Financial enterprises are extremely greedy. In seeking short-term profit growth, they have abandoned basic moral principles. In fact, this financial crisis has already proved the ineffectiveness of the principle of governance that upholds "big market, small government". The ADPL opines that the community must conduct a comprehensive discussion of this specific aspect. It is a pity that the Budget has

evaded the crucial issues. While it persists in upholding the market-led principle, it wants the intervention of the Government as well. Is this not the attitude of "the man of the world" who wants to have both ways?

We must face squarely the inadequacies of the free market and the inadequacies in self-regulation of the free market, which reveal the need for government intervention. I think we need to voice this out clearly and directly. We also need to draw a line, identifying which area the market is capable of handling and which area the market is incapable of handling. With regard to this, we hope the Government will put forward more proposals that set out pointers, policies, strategies and scope of work.

President, after discussing various main directions, I would like to mention the two groups of people staging petitions when we entered the Legislative Council Building today. One of them was the elderly. They hope that a universal retirement protection scheme will be put in place. Regarding the universal retirement protection scheme, I had helped in the fight for it when I was in my twenties. Now I am over 50 years old. We have fought for half a century but to no avail. Mrs IP said just now that a universal retirement protection scheme would have impacts on the tax regime. But some community groups have put forward their proposals to the Financial Secretary, providing detailed calculation to illustrate such a scheme is feasible. I hope that the Financial Secretary will draw reference from our universal retirement protection scheme. The other group was the university students who staged their protest against the \$4,000 allowance. Just as I said before, what a university graduate needs now is a job, not an internship position. In facing squarely the issue of unemployment, we have to find a job, not an internship opportunity. Thank you, President.

DR SAMSON TAM (in Cantonese): President, in respect of this year's Budget, members of the public in general opine that in the face of such immense economic impacts in Hong Kong, the Government has not done enough. I agree with this. However, I do not agree that the Government should give out money recklessly at this moment because giving out money can only serve as a temporary relief but cannot help Hong Kong in the long run. So I object to that. In discussing the Budget, we should basically assess whether the Government has formulated a reasonable policy of resource allocation that realizes the objective of allocating resources to the much-needed areas. In the face of the current

situation, the most urgent issue that needs to be resolved in Hong Kong is how to implement economic restructuring, so that both enterprises and talents in Hong Kong can undergo restructuring with the objective of creating new value and consolidating the competitiveness of Hong Kong in the long run. It is only through this that Hong Kong people, particularly the middle class and the professionals can be free from the worries of being laid off at any time. If the Government succeeds in preparing a good Budget, members of the public will be rest assured that the Government is ready to commit and knows how to handle the situation. It is only when members of the public regain their confidence promptly that we can work together to rebound from the trough.

But how do we implement this? As I have all along advocated, the Government must expedite the process of allocating resources to soft infrastructure, so that Hong Kong can give full play to its potential as a regional communication centre and a digital hub, while the creative industries in Hong Kong can play its new role in the Pearl River Delta or Guangdong or the South China region, with a view to complementing each other's strengths. It is no longer feasible for Hong Kong to continue with the mode of over-reliance on exports to Europe and the United States. We have to restructure and balance our economy with domestic sales. It is only through this that we can create future employment opportunities for our middle class and young people.

President, at present, a consensus has been reached in the community that there is a need for economic restructuring in Hong Kong. The question is how we are going to realize it. How are we going to position ourselves in the future? We have all along been concentrating in our development as a financial centre and a shipping centre. I agree that these were our strengths in the past. However, the State Council has recently approved the proposal of developing Shanghai into an international financial centre and shipping centre. In addition to that, I have learnt from newspapers this morning that Shenzhen has announced it is going to introduce the Growth Enterprise Market. As we can see, Hong Kong can no longer enjoy the monopoly of these two areas in the future. Inevitably, we will have to face more competition from other cities in the Mainland. Competition itself is not frightening at all. Instead, our lack of competitiveness will be most frightening. Thus, I very much hope that the SAR Government will assess our positioning in the region, and evaluate how we can find room for competition as well as co-operation in the region. This is where the opportunity for the long-term development of Hong Kong lies.

Regarding regional positioning and co-operation, we can see that in last year's policy address, the SAR Government has put forward the 10 major infrastructure projects, such as cross-boundary rail links, the Hong Kong-Zhuhai-Macao Bridge, and the co-operation of the airports of Hong Kong and Shenzhen. Although the Government is willing to take up these projects, difficulties are found in many aspects concerning the collaboration with the Mainland. However, putting the difficulties aside, the Government's efforts are evident. Nevertheless, we can also see that the Government is concentrating on hard infrastructure only. It appears that it is ignoring soft infrastructure. The whole world has actually embarked onto the journey of a world of information. This is particularly so in the digital world where it is not only necessary to build concrete roads or shipping links, it is all the more important to build digital links. However, what has the Government done in this regard? Over the past years, what policies has the Government adopted to allow our strength in the sphere of information to give fuller play in the region? As a matter of fact, there are many advantages of Hong Kong in this regard. We have freedom of communication and information, and a sound legal system. Unfortunately, despite all these advantages of Hong Kong, the Government has not done anything to capitalize on them. Therefore, I have always hoped that the Government will promote and enhance the digital infrastructure of Hong Kong. It is not my wish that the Government devotes its effort to hard infrastructure only. The Government should consider allocating resources so that more can be done for soft infrastructure. The addition of information technology will successfully transform our traditionally most outstanding service industry to become the so-called contemporary service industry of the world. This will enable Hong Kong to develop into a regional digital centre. As Hong Kong is able to serve as a computer centre, it will no longer be necessary to build computer centres in the other places of the region. Such a development will also allow Hong Kong to give full play to its new role in digital copyright trade. I very much believe that this will be the core of the future economy of Hong Kong.

What is soft infrastructure? In fact, there have been many examples over the past years. For instance, the Government is seeking approval for a funding of \$1.1 billion to implement the electronic health record system. Such a development has my full support and endorsement. I believe a well-developed health care soft infrastructure will not only enhance the health care services in Hong Kong, but will also help establish the Hong Kong health care system in a leading position of the region. This will serve as an impetus for our soft

infrastructural service to export to other places. At present, safety problems are often found in our food and drugs. Should the Government not allocate more resources to soft infrastructure in this field now, implement a tracing system for the suppliers of food and drugs to ensure safety, invest in the technological platform of Radio-Frequency Identification? This will absolutely create a win-win situation in which the strength of Hong Kong's soft infrastructure will be highlighted in the region, while the unemployment situation of the information technology sector and other professionals will be alleviated during the period of high unemployment rate.

President, I believe if our economy has to be restructured, our enterprises have to tie in with the changes. One of the directions is to identify what kind of initiatives enterprises have to implement in order to tie in with the economic restructuring of Hong Kong. I believe we absolutely agree that Hong Kong has to consider enhancing its value through the development of creative industries. On 4 February, I moved a motion "Promoting the development of local creative industries" which was supported by the majority of Members. Mr Paul CHAN also proposed an amendment, urging the Government to offer tax concession to creative industries. The majority of Members raised their hands to vote in favour of this proposal. Unfortunately, the Government responded by saying that tax rates in Hong Kong were generally low, and therefore, would not introduce drastic changes to the existing tax concession arrangements.

President, we know that tax rates in Hong Kong are extra low. However, we must not forget that our neighbouring cities and countries are using tax concession to strive for economic restructuring, resulting in a large number of their enterprises transferring to the fields of technology and creative industries. Other places, such as Singapore, are using tax concession as an incentive for multinational enterprises to establish their businesses there. During the motion debate, I proposed that the Government should set up a creative industries fund. At last, we have some response from the Government. An amount of \$300 million has been earmarked in the Budget for the development of creative industries in the coming three years. However, let us make a comparison with Singapore. Singapore has recently announced that it will invest \$162 million in promoting media industries, and the amount is in US dollars. Thus, if the amount invested by the SAR Government is insufficient, how are we going to compete with our neighbouring countries and cities? In fact, whenever the issue of money is brought up, the SAR Government always says that it has to keep

expenditure within the limits of revenue, and does not wish to spend too much money. There are actually many other ways for the Government to support the restructuring of industries even if it does not wish to spend too much money. Last week I attended a seminar organized by a group of friends from the new media industries. Many members of the industry reflected to me that the Government had spent a lot of public funds to complete a number of outstanding projects in the past. For instance, many quality television programmes and radio programmes were produced by the Radio Television Hong Kong. The Lands Department has developed a series of digital maps, while the Transport Department has developed an information system that provides electronic transport information. The industry is keen to use such information to further develop its own value-added services. However, it has encountered a lot of difficulties in the course of such endeavours. Part of the reason for this is attributable to the bureaucratic practice adopted by the Financial Services and the Treasury Bureau. They opine that the copyrights are owned by the Government, so they are not allowed to be used casually by the industry; or the complicated procedures the industry has to go through serve as a disincentive. As a matter of fact, such information and copyrights are owned by the taxpayers of Hong Kong. If they are liberalized so that the industry is encouraged to provide value-added services based on such information and copyrights, the public will be able to further enjoy the information. Meanwhile, the Government will be able to give impetus to launch local creative industries of Hong Kong without spending any money, so what is the sense of not doing that? I really do not understand why the Government refuses to liberalize copyrights which are owned by the public.

Another initiative that requires spending little money on the part of the Government is to strive for the opening of the mainland market for our creative industries under CEPA, in particular, the pilot markets in the Guangdong Province so frequently mentioned. How do we negotiate with the Mainland so that the creative industries of Hong Kong will have a larger market? This is the key which will help our enterprises restructure and develop more innovation. When new markets are identified, our enterprises will naturally recruit more employees, resulting in the speeding up of the process of restructuring.

President, with regard to restructuring of enterprises, as we expect the Government to spearhead the restructuring process, or there is a need for enterprises to restructure, the responsibility of the Government is to complement the transformation with training of talents, with a view to providing sufficient talents in the face of restructuring. The Budget has mentioned the Government

will earmark a provision of \$1.6 billion to preserve jobs, especially jobs in the maintenance field or various trades. However, such a provision mainly involves some basic trades and some short-term measures. As for the middle class and the professionals, who are most hard hit by the financial tsunami, the Budget has really not offered any substantial assistance. Even the Internship Programme for University Graduates, to be launched in the middle of the year, has been criticized by many Members. I agree with the direction of this Programme because when our graduates receive training in the Mainland, their horizon will be broadened. Despite the fact that I agree with it, the introduction and discussion of the Programme have reflected a lack of adequate planning in the detailed implementation arrangements and communication, giving rise to concerns from the relevant sectors as well as many university students. In my opinion, more explanation and more thorough consideration should be given by the Government in this regard.

President, with the advances in technology, the life of a man is getting harder and harder, because what he learnt from school in the past may not be applied in the future. This is particularly so with the rapid development of the Internet. Young people are very familiar with what happens in the cyber world, so it is not necessary for us to worry about this. My only son, who is 14 years old, had already engaged in Internet trading even before I attempted to do so. Instead, I am worried about how some middle-aged employees will adapt to skills in the future new economy. As a matter of fact, the trading methods of small and medium enterprises adopted in the past have undergone immense changes in the new economy. An increasing amount of trading is being carried out in the electronic platform, such as the web-based platforms of eBay and Yahoo, or via new technologies such as e-marketing or e-procurement. I believe these skills were not taught in the universities of Hong Kong in the past. In view of this, the Government is duty bound to help these middle-aged people master new skills.

I read from newspapers today that the Government is considering introducing a business and education loan scheme with the objective of initiating a career change for the middle class. I absolutely agree to such an initiative. I hope the Government will consider the plan thoroughly, and beef up the funding as soon as possible, so that resources will be available for the implementation of the scheme, which will assist the successful transformation of our middle class. I believe the Government's earmarking a sum for the scheme will be applauded by the middle class.

President, generally speaking, there is an expectation of every member of the public that the Budget will lead us out of hardship. After assuming office, President OBAMA of the United States has also emphasized "change", because he understands clearly that with the impacts of the financial tsunami, everyone has set his mind on changes. There is a need to change government policies. There is a need to change economic strategies. There is a need to change the thinking and knowledge of the people. As a super power, the United States needs to change. Surely it does not mean that the government officials of Hong Kong can stick to the old thinking of the past? It is necessary for the HKSAR Government to respond to changing circumstances in order to achieve some results and help bring about the restructuring of Hong Kong's economy. In order to restructure the economy of Hong Kong, I believe we need to have a new positioning and new policies. We also need determination and investment of resources. If the Government does not have the courage to do so, how can our economy undergo restructuring? How can our enterprises undergo transformation? How can the talents of Hong Kong be allowed to give full play to their abilities? I urge the Government to consider allocating more resources to promote economic restructuring, and taking more real actions for resolving the existing problems in respect of employment.

I so submit, President.

MR CHAN KAM-LAM (in Cantonese): President, exercising fiscal prudence is still the keynote of this year's Budget. This is in line with the long-standing principle of public finance management in Hong Kong.

No one can accurately assess the potential crisis of the financial tsunami. The second wave of the tsunami may soon appear. It is imperative to Hong Kong that the SAR Government should prepare sufficient reserves, uphold fiscal prudence, keep expenditure within the limits of revenue, and reserve sufficient ammunition to counteract the impact of the second hit.

When governments of various countries around the world are mobilizing enormous amounts of public moneys to rescue the economy, there have been suggestions that the SAR Government should follow the example of these countries and spend large amounts of money to rescue the economy in the face of the present crisis. However, right at this critical moment, it is all the more necessary for Hong Kong to realize the importance of fiscal prudence of

allocating resources to the most needed areas of society. We are not ruling out the possibility that the Government needs to respond to circumstances and inject money into society with the aim of stimulating the economy. Being a miser is certainly not a wise way to manage finance. However, when the future is still gloomy and uncertain, we agree that we absolutely should not "hand out candies" in a casual manner in order to win applause.

The prosperous development of Hong Kong over the years has established Hong Kong as an international metropolis. This achievement has also affirmed that it is worthwhile to uphold fiscal prudence, keep expenditure within the limits of revenue, try to avoid deficits, and adopt a simple tax regime as the principle of fiscal management. Furthermore, this stable reserve has all the more stabilized confidence among the international community, and stabilized Hong Kong's status as an international financial centre.

On the other hand, the ample reserve maintained under financial prudence also implies the implementation of low tax rate and low public fees. If we incur substantial expenditure in a casual manner instead of being committed to enforcing financial discipline, the government expenditure will have to rely on high taxes and high public fees in the future in order to restore fiscal balance. The immediate substantial expenditure will only transfer the risk of high taxes to the public. We have to tackle the problems the current financial tsunami has brought to the public and the economy, and at the same time, maintain ample reserve to cope with a worse scenario in the future.

The most desirable principle of expenditure deployment is to adjust the amount of expenditure on a regular basis in accordance with changes in circumstances and latest developments. The Democratic Alliance for the Betterment and Progress (DAB) agrees with the Government's persistent adoption of the principle of fiscal prudence as the keynote of this year's Budget. We think this is the kind of persistence a responsible government should exercise. Meanwhile, we hope that the Government will review the situation in the middle of the year so as to adjust the amount of expenditure and spend as necessary. We hope that in maintaining Hong Kong's status as an international financial centre, the Government will also respond to the aspirations of the public.

President, it is the imminent task for Hong Kong to respond to the current financial tsunami. But Hong Kong is facing the issue of increasing economic competition from our peripheral regions, which needs to be faced squarely as

well. The State Council has already announced that Shanghai will be proactively developed into another international financial centre of China. To maintain the status as an important international financial centre of the Asian region, Hong Kong must consolidate its advantages, and make preparations to become one of the two major economic locomotives of China in the future.

Singapore is the traditional competitor of Hong Kong in the Asian region. With strong crisis awareness, Singapore is trying to catch up with us in many areas. Apart from vigorously recruiting overseas talents, Singapore is also taking drastic measures to reform its tax regime. The digital media and biotechnology industries, the two industries Singapore has been committed to developing, have also brought opportunities of new economic growth to the country.

Hong Kong has all along served as the platform of commerce, trading and tourism of Taiwan over the past years. With the establishment of the "Three Direct Links" across the Taiwan Strait, this role of Hong Kong has been undermined. The direct exchanges between Taiwan and the Mainland have virtually strengthened the competitiveness of Taiwan in the regional economy. The DAB opines that the Budget has already highlighted the two important factors needed to enhance the edge of Hong Kong, namely developing regional economy and promoting sustained economic development. The preliminary proposal of the directions in which the competitiveness of Hong Kong can be enhanced has already been put forward in the Budget. One of the salient points the Budget has emphasized is the importance of a long-term vision in consolidating the economic foundation of Hong Kong.

However, while we are consolidating the economic foundation of Hong Kong, we have also expected that the SAR Government will be able to seize the development opportunities under the "Outline of the Plan for the Reform and Development of Pearl River Delta" (the Outline) put forward by the Central Government earlier this year. At present, the respective pace adopted by the three governments of Guangdong, Hong Kong, and Macao in the implementation of the Outline is not synchronized. Generally speaking, since the announcement of the Outline, the response of the Guangdong Province appears to be more enthusiastic, while Hong Kong tends to be lukewarm.

Since the State Council approved the Outline at the end of last year, the implementation of the Outline in the Guangdong Province has been under the

leadership of the Guangdong Party Secretary Mr WANG Yang and the Guangdong Governor Mr HUANG Huahua. More than 100 items of the implementation package were announced on 22 February. Various items were allocated to the relevant district government departments for follow-up actions. On the contrary, insofar as the SAR Government is concerned, at present, the relevant work is still led by the Chief Secretary for Administration Henry TANG. The Budget has only put forward some directions as a matter of principle without providing any substantial plans of implementation and promotion.

This is a long-term plan of great importance and substantial influence to Guangdong, Hong Kong and Macao, as well as our whole country. It is as if a locomotive has been started. And, in the face of a possible global economic crisis in the future, this forward-looking and preventive plan will have a far-reaching significance. Since Hong Kong is included in the Outline, a national strategic development plan, it is necessary for Hong Kong to enhance the national awareness and take the initiative in supporting the policy. It is necessary for the Government to change the practice that bases on a "community-driven and government to follow up" approach. Instead, it should adopt a more proactive approach to take part in the economic planning of the Pearl River Delta Region. As a matter of fact, it is an inevitable trend that many mainland provinces and cities will be the future competitors of Hong Kong. The Outline sets a vision for and exerts impacts on the future economic development of Hong Kong. When the Guangdong Province Government offers it proactive support, it is impossible for Hong Kong not to catch up.

President, in the face of the aforesaid peripheral competitions and the development opportunities of the Pearl River Delta, it is obvious that there is an increasingly significant role for the Government to exercise proactive intervention, with a view to promoting the economic development of Hong Kong. This Budget has mentioned for the first time that it is necessary for Hong Kong to identify itself a proper position and role in the national plan. The past practice of enterprises moving ahead of the Government no longer works under this development trend. The Government will play an increasingly important role as a "champion". The Budget has changed the passive mindset of governance in which the market moves ahead while the Government plays a complementary role in the past. The DAB endorses this change, which is imperative to Hong Kong in the future peripheral competitions, and in complementing the development of the Outline.

In tackling the economic crisis, governments of many countries like China, the United States, the United Kingdom and Japan have adopted the initiative of strong intervention. This has illustrated that the mechanism which relies on adjustment of market forces in the extreme *laissez-faire* capitalism eventually needs the proactive intervention of the government.

It takes the government which plays the role of macro-economic regulator to rationalize and create an inter-regional economic environment. The SAR Government should actively formulate measures of more substantial contents to co-ordinate the respective edges of the peripheral regions, so as to promote co-operation within the Pearl River Delta or even international co-operation in the Asian region, and give full play to Hong Kong's well-established leading role as the international metropolis.

President, I would like to talk briefly about the issue of small investors' protection and claims for compensation with regard to financial products. In the wake of the Lehman Brothers Minibonds Incident, up until now, only 5 000-odd victims have reached settlement with the banks. It is believed that more than 30 000 victims are still looking for solutions. It seems that the incident involving the accumulator has nearly been forgotten. The DAB is very dissatisfied with the speed of resolving disputes of the relevant financial products.

By comparison, the intervention of the Government targeted at the protection for small investors is much less in scale and strength than its intervention in economic development. Although the Government has mentioned in the Budget the necessity of conducting review, consultation and improvement work in respect of optimizing the local financial regulatory system, it has not indicated how it is going to strengthen the regulation of the over-the-counter derivatives activities of Hong Kong in the future. It is not acceptable that the Government has only repeated its intention to examine and formulate long-term strategies.

We have to emphasize that the financial tsunami originated from the over-the-counter derivatives activities in overseas countries. With limited regulation and confusing information, small investors can be said to be weak and powerless. They often form the weakest party in the entire investment market. Thus, the SAR Government and the monetary authority must conduct active review of how to further regulate the over-the-counter derivatives activities, with

a view to ensuring the financial products will be sold to appropriate investors. As Hong Kong is an international financial centre, it is imperative to rationalize the order in its investment environment.

Lastly, we are also concerned about Members' rude interruption of the Financial Secretary's Budget speech at the Legislative Council, and the frequent use of vulgar and offensive language recently. This is very disappointing to the public. We have also received a lot of emails from members of the public, which expressed discontent at the use of vulgar and offensive language in the Council. They are worried that the next generation will follow such examples as a result of social influences. The use of vulgar and offensive language seems irrelevant to our economy. However, a Legislative Council where vulgar and offensive language is frequently used will have direct adverse impacts on the image of Hong Kong as an international financial centre.

The use of vulgar and offensive language will not help solving problems; instead, it will severely damage the international reputation of Hong Kong. When we are working hard to tackle the economic problems, the atmosphere can be worsened just because of a few vulgar and offensive words. This is certainly not something we wish to see. Right now the economic environment is full of challenges. We need to conduct our discussions on political and governmental affairs in a rational manner, and monitor the Government in a rational manner. Hong Kong all the more needs to build a harmonious environment in which economic development is at the centre. We must prevent internal depletion and make concerted efforts to respond to challenges.

I so submit, President.

MR WONG SING-CHI (in Cantonese): President, the unemployment rate of Hong Kong has risen to 5%, and is still surging. The number of unemployed persons has reached 171 900. We do not need the Government to tell us that the unemployment situation is, in fact, deteriorating. It is really difficult for us to predict to what extent the deterioration will reach. Right at this moment, all we wish is to find a job. As a matter of fact, keeping the present job is in line with the measure of "preserving jobs" in this year's Budget. However, the Budget does not live up to what it professes in this regard. The reaction of the public towards the Budget cannot be described as disappointment or regret only. Some

people even say that it deserves to be responded with vulgar language. I do not agree with such an act. In any case, we are only arguing strongly on sound grounds. I do not understand why the Government can be so indifferent to the unemployment problem. It is as if Government has turned a blind eye to the hardship the people are facing at this moment.

The SAR Government has mentioned in the Budget that 62 000 jobs will be created in the next three years. Some publicity leaflets have advertised in bold prints under the headline that the Government has done a lot in this regard, in the hope of winning praises from members of the public because of these 62 000 jobs. However, earlier I raised a question in the Legislative Council about the composition of the 62 000 jobs. President, as a matter of fact, are there really 62 000 jobs? After actual calculations, there are only 61 560 jobs after all the deductions. I was given the answer by the authorities that among the 61 560 jobs, 47 800 are internship and training opportunities. But the Government has regarded them as jobs. I asked Secretary Matthew CHEUNG about this. Up until now, he is still telling me that these are jobs. Frankly speaking, we all know what the Youth Work Experience and Training Scheme and the Youth Pre-employment Training Programme are about. How many young people can really make a living for a family through these schemes? I believe it is indeed very difficult to do so. So the actual number of jobs is 13 760 only. And among the 13 760 jobs, 10 000 jobs belong to the category of maintenance of old buildings — this has been clearly written by the Government. The number of clerical jobs is 3 560 only.

President, I do not mind taking all the trouble to repeat once again, the current number of unemployed persons stands at 171 900. But the number of clerical jobs the SAR Government has proposed to create in the Budget is only 3 560. Are you startled by the figure when you hear this? Does the Government not feel embarrassed when it releases the number? As a matter of fact, the white-collar group of the financial and insurance sectors is the first to bear the brunt of this financial tsunami. Job vacancies of the financial and real estate sectors drastically dropped from 12 399 recorded last September — of course, this was written as records, in reality, I believe it was difficult to find these jobs — to 7 818 as at December. This was the situation of the past year. The current number is probably smaller. Those engaged in the financial and real estate sectors have all along paid a lot of tax, but have not benefited from the welfare services provided by the Government. Therefore, the Government

should offer some assistance to them as they face the hard times of this year. Unfortunately, the Budget has only concentrated on creating jobs at construction sites and providing internship or training opportunities. It seems that the Government has ignored the white-collar or the middle-income group.

President, the Financial Secretary had spoken earlier in a forum on the Budget (I hope the Secretary remembers this) and said that, "I believe the white-collar group has certain amount of savings and will be able to help themselves." This is also our belief. But I would like to ask the Secretary what they should do when the savings are exhausted. Probably the savings will not be exhausted in a short time, but no one knows when a "white-collar" runs out of money. I was also a "white-collar" before. I was even a Member of the Legislative Council. As a matter of fact, it does not take long to exhaust my savings. There are so many expenses for a family. Unless you do not have to feed a family; otherwise, you are spending money at every moment, every minute, and every second. If I lost my job, it would take a short time to exhaust all my savings. For instance, if I had to repay mortgage, my savings would be exhausted in a short time. But the Secretary said, "If the middle-class people are faced with pay cuts or unemployment, they can refinance their existing mortgages." However, their properties have probably become negative equity assets. Some people may say that the current property price seems to have risen a bit. But I can tell you, some properties are still negative equity assets. I have a unit which is still in that category. The Secretary said that the mortgage of the property could be refinanced. I really have no idea how to do so. Given such a comment, it would be better for the Secretary to suggest selling the property and sleeping in the streets.

These words have reminded me of what happened when Mr TUNG visited some people of the lower class during the Mid-Autumn Festival a few years ago when he was still the Chief Executive. Someone said that he could not afford having rice for meals. In reply, he said, "No rice for meal? I will bring along a box of mooncakes. You can eat the mooncakes then." When someone could not afford having rice for meals, his suggestion was to eat mooncakes instead. How can we not feel sad and even bitterly disappointed when we hear such words?

President, the Democratic Party had met with the Secretary before the announcement of the Budget. We proposed the Government should allocate \$10 billion, not to spend the entire amount, but to implement a "contingency loan

scheme for families in crisis". The scheme targets at the middle-class people who can seldom benefit from the Budget with a view to alleviating their hardship due to temporary unemployment. The scheme will be able to provide contingency loans to pay for their mortgages, children's school fees, and expenses that are planned but cannot stop payment with an immediate effect. I believe middle-income families that experience unemployment just because of the unforeseen financial tsunami will be able to find employment and achieve self-reliance again after a period of time. Of course, we do not know how long this period will be. It may be one year, two years, one-and-a-half years or even shorter. But who can offer assistance to them when they face difficulties during the unemployed period? The Democratic Party suggests that the amount of loan provided will be equivalent to half of the average monthly salary within the 12 months before the financial tsunami (for example, from June 2007 to June 2008) with a ceiling of \$20,000. The loan will be offered every month during the unemployed period, and will be stopped once employment is secured. The longest period of this loan provision is 12 months. The total amount of loan offered for 12 months is only slightly over \$200,000. For a middle-class family, this may not be a very huge amount. But for contingency purpose, the amount will probably be able to meet their pressing needs. The repayment of the loan will start after employment is secured. The repayment period can be as long as five or 10 years, which can be finalized later. But at least, the loan will be able to meet their pressing needs. It will not give an impression that the middle class is ignored by the whole community when they face difficult times.

We do not have a comprehensive unemployment protection scheme in Hong Kong. Mr Matthew CHEUNG, Secretary for Labour and Welfare, said last week that the Government would not put in place an additional unemployment assistance to help the unemployed tide over the hard times of layoffs. The Government has suggested that the unemployed should apply for Comprehensive Social Security Assistance (CSSA). But frankly speaking, how can the middle class apply for CSSA? President, the Government has obviously forgotten the needs of the middle class. The CSSA can only offer assistance to the grassroots. So we hope that the Government will reconsider the measure of providing short-term transitional loan for the middle class, in order that the middle-income families will also be benefited when bearing the brunt in the course of being hard hit by pressure. Alleviating their economic pressure during the period of economic recession will also stabilize spending in the community.

Moreover, President, according to surveys, the monthly transport expenses of the grassroots who have to work across districts account for over 10% of their salaries. Earlier, some eatery owners of Hong Kong Island revealed that it was difficult to recruit staff. It is believed that those who need these jobs are people living in remote areas. When they deduct transport expenses and lunch expenses from their meagre wages of several thousand dollars, probably only a very small amount is left. Therefore, we opine that the Transport Support Scheme introduced in June 2007 is able to provide assistance to the low-income earners living in Yuen Long, Tuen Mun, North and Islands District only. For the low-income earners not living in the four designated districts, many of them are not able to benefit from the Scheme, which is very unfair to them.

President, a recent survey has indicated that the income of many districts is on a downward trend. It is obvious that wages of residents other than those living in Sheung Shui, Tuen Mun, Yuen Long, and Islands District are also dropping. I am a member of the North District Council. As I have been working for the district for a very long time, I can see the needs of residents of this district. In fact, apart from this district, the hardship facing residents living in other districts is just the same. It would be fairer to all low-income earners if the transport assistance is expanded to cover all 18 districts of Hong Kong.

Therefore, the Democratic Party asks the Government to remove the restriction on districts where they live, and expand the Scheme to all 18 districts, so that eligible residents will be able to apply, with a view to resolving the mismatch of districts and jobs. Meanwhile, the Democratic Party opines that the Government should enhance the flexibility of application procedures, allowing applicants to claim transport subsidies at the same time of submitting applications to join the Scheme; or apply to join the Scheme first and submit application for transport subsidies within a specified period, so that more low-income earners or unemployed persons will be able to benefit.

President, I would also like to talk about the Internship Programme for University Graduates as proposed in the Budget, which offers a monthly salary at the "tsunami price" of only \$4,000, that is, the Government and the organization each offering \$2,000. Even Dr LAM Tai-fai, the representative of the business sector, thinks this is unbelievable. Frankly speaking, this is terrible. Obviously, this is a means to exploit our university students. I remember after we graduated from university, our salary was definitely not at such a level. If it was at such a level, we were belittled. Why does the Government still think like

that? The Programme may not necessarily be abandoned. Please do not say that the Democratic Party opines that it should be abandoned. Jobs can be offered to secondary school graduates through this Programme. Since there is not much difference between this Programme and the Youth Work Experience and Training Scheme, we can let secondary school graduates have a try. I believe the Government should give more thought in this regard. The most important thing is to provide more employment opportunities so that members of the public, particularly the graduates, will be able to find good jobs.

President, apart from labour policies, I would also like to respond to the support given to welfare policies in the Budget. First, regarding the problem of youth drug abuse, I think the resources allocated to this area are absolutely inadequate. I asked the Director of Social Welfare before. He replied that they all knew that the problem of drug abuse in schools was very serious. However, it seems that the Government has only allocated \$1.8 million to recruit four Assistant Social Welfare Officers this year. It is really shocking to us because this is seriously inadequate. We hope that the entire Government will implement complementary measures. It is impossible to solve the problem of youth drug abuse in Hong Kong if Secretary WONG Yan-lung is painting a glowing picture alone, while all the other departments are reluctant to pay money and refuse to do what should be done.

Moreover, I would also like to talk about the waiting time for various home places. Take the elders waiting for government subsidized nursing home places as an example. As at the end of January 2009, the number of elders waiting for these places was 6 267. There were more than 7 600 elders waiting for such places over the past five years. The queue was slightly shortened, but still the number of places was extremely inadequate. In replying to a question raised by me, the Social Welfare Department pointed out that apart from the serious problem of long waiting time for the elderly, the average waiting time for homes for the severely disabled is 89.6 months, that is, over seven years. The existing services provided by the Government are insufficient to meet the demands of the disabled. I hope that the Government will allocate additional resources so that more places will be provided by subsidized homes. The Government should also consider the Enhanced Bought Place Scheme, which will all the more help the disabled solve their existing needs. In addition to that, the Government should also put in place a subsidy scheme for carers. The provision of an additional \$1,000 for each family member who spends long hours looking after a disabled person will alleviate the financial needs of these carers.

President, members of the public are very concerned about the issues of labour rights and social welfare at the times of economic downturn. I hope that the Government will allocate more resources in these areas with a view to responding to the demands of the public.

Lastly, I would like to talk about the overall welfare and well-being of the elderly in the future. I believe it is relatively difficult to address the problem in this year's Budget. But I hope that the Financial Secretary will give consideration to the scheme of universal retirement protection. At present, our elders have to live on CSSA payments after their retirement. Some elders who do not have CSSA payments have to live on the "fruit grant". They can hardly get appropriate care and attention. It may be impossible for the Government to implement retirement protection, but at least it has to conduct a study on the issue. In fact, there have been many such studies in the community. I hope that the Secretary will conduct a study in this regard and introduce a universal retirement protection scheme in the future.

I so submit, President.

MRS SOPHIE LEUNG (in Cantonese): President, regarding this year's Budget, I have mentioned in a high profile manner that three items in the Budget are what I have been urging the Government to put in place over the past years. I feel very honoured that my individual effort has successfully prompted the Government to put forward these three items in the Budget. But this is not what I have been aspiring for. President, I would like to talk about a broader issue.

President, the world is entering a critical stage of moving towards a new era and a new system. In Hong Kong, there are very few discussions that focus on how the new system should be implemented and established. As a matter of fact, the subject has been under exploration in the rest of the world. The eye of the financial turmoil this time around seems to be centered on the financial system to which enormous damages have incurred. Many people suffer tremendous losses. And various countries are proactively looking for ways and means to improve the system. However, all these involve arguments of whether there should be regulation or not, and discussions of how regulation should be implemented. These questions are still unanswered. I believe the future discussions will touch on the sensitive subject of social responsibility, and the issue of repositioning of the values of different strata of society.

All these are closely linked to the overall free economy. Exactly how free an economy should be in order to be regarded as a free economy? What kind of regulation should be implemented? What personal integrity or values should be upheld? However, in the midst of the tumult, we can be sure of the following: First, the impacts of the financial tsunami are unfathomable; the next wave of the tsunami may occur. Second, the European countries generally opine that the so-called bail-out plan implemented by the United States is an irresponsible act, as the European countries have all along believed that handing out money to rescue the market may not work. Third, all parties have admitted that the problems of the financial market have exposed the existing cash shortage, a situation which is difficult to be rescued and which may lead to a tightening of lending policy. Fourth, there is a need to reform the financial system. However, nobody knows how to start. Of course, many people have pinned their hope on the G20 Summit to be commenced tomorrow. Fifth, the financial system is closely linked to the social system. Does this imply that the social system needs to be reformed as well? Sixth, the emerging markets such as the BRIC (that is, Brazil, Russia, India and China) have exerted immense driving force over the past 20 to 30 years. For instance, they still have the ability to create domestic demands, and they are equipped with other factors that give impetus to the upswing of the economy. How about the other countries? Finally, there are predictions that the age of the Pacific has arrived. Many countries are hoping that the G20 will be able to achieve something. However, recently I have read from magazines such as the *Financial Times* that the countries are all working for their own interests, and are hinting at all sorts of ideas.

President, how about the situation of Hong Kong? I have mentioned just now that the eye of the financial turmoil is enormous. How about the situation of Hong Kong at present? We have been relatively busy over the past month. But six weeks before that, I witnessed experts from at least four to five countries visiting Hong Kong. They all showed envy for the geographical position of Hong Kong and our existing edges. Summarizing their views, I would like to share some of them with you. First, we enjoy the advantage of a good geographical position. Although we are located at a corner of the Pacific, we are quite independent. Second, we can leverage on a powerful China that exerts much influence. Third, the Hong Kong people have a strong ability to rebound. This morning, I attended a seminar in which someone from the European Union talked about the gloomy prospect of our manufacturing industries. So I said, "I am sorry. Probably you are too slow and insensitive. We discussed this problem as far back as eight years ago." Fourth, sometimes we may complain

that the young people of Hong Kong do not have international vision. In Hong Kong, it has always been the case that we have to cough for 18 days or even several months when others happen to sneeze. Basically Hong Kong is led around by the nose by the entire world. And since we do not have any real natural resources in Hong Kong, we often have to be dependent on foreign trade. Hong Kong is genuinely a free trade port. Therefore, the international linkages have naturally been propelling us to develop a strong familiarity with the international market and widen our international exposure. We have another edge, that is, we still have a number of "established advantages", including the financial system and the rule of law, which are still effective to date.

President, having said that, I would like to point out that we are actually finding ourselves in exceptional times, but it seems the Government is still sticking to old practices. President, today, I would like to ask whether the Government should develop new thinking.

Of course, I oppose to doling out rice from the storehouse, because this measure is an act in contravention. What we should do is to encourage every member of the public to give full play to his potential, with a view to enhancing the overall productivity. Any system is just like a machine. Even if it is operating smoothly, from time to time, we still have to check which part is no longer suitable or needs to be replaced, so that the machine will operate more smoothly. We should not continue to tolerate or preserve the part. If we continue to preserve the part, it will be acting like the management of the carmakers Chrysler or General Motors in the United States. Up until now, they still have no idea what has gone wrong when the company is dysfunctional. I hope that Hong Kong is not like this machine at all, and the thinking of the Government is not like the lubricant.

With respect to this machine, as I have just said, we have to examine with our wisdom which part is obsolete and needs to be replaced; or needs to build a new rail by its side or derail it from the existing rail altogether. Then we can apply lubricant so that it will have a faster and smoother operation. Otherwise, this machine may become dysfunctional like the operation at Chrysler.

At present, the Financial Secretary is in charge of the public finance of Hong Kong. And the public finance is exactly the lubricant. We should make

better use of the public finance which serves as the lubricant to improve the operation of the entire government as well as the implementation of our social policies. We hope that the Government will give more thought in this regard.

President, I wish to point out that among the existing three Secretaries of Departments and 11 Directors of Bureaux, the three Secretaries actually have the responsibility to take the lead in the exploration of the new thinking, thereby facilitating the rebound of Hong Kong from a better position. The public has the ability to rebound, but can we find such an opportunity to rebound at any time? Or, are there any old practices adopted by us that drag our feet along, just like those in Chrysler and General Motors, preventing us from rebounding?

We are certainly not asking the Government to give us pointers on how to find business, because this is not the strength of the Government; as a matter of fact, it can be said to be its weakest link. On the contrary, this is the strength of the public. The Government should set an example and initiate the new thinking at the educational and social level. Or the Government should adopt a more open attitude in coming into contact and getting to know the functioning and developments of the entire world, so as to better equip itself. Then on the basis of setting an example, the Government can send out warning signals from the educational level and various strata of the community, initiating public discussions and take the lead in the exploration of the new thinking.

President, entering the 21st century — probably I have mentioned this many times in the Chamber — the slogan of the United Nations is "capacity building". In brief, it has the meaning of giving everyone the opportunity to give full play to his potential, encouraging every country to develop the concept of "capacity building" at various levels, broadening vision from different cultural perspectives, understanding how the world functions, with a view to identifying new pointers for development.

At the Legislative Council, I have heard many officials say for a number of times that they were weighed down with extinguishing fire. I have also heard some Members who had joined the Legislative Council for a short time but left, or some who are still serving say that basically nothing much could be done in the Chamber. In view of this, the Government should all the more work hard to find its positioning of governance. I am not referring to the positioning of the social development of Hong Kong, but the positioning of governance for the Government. We can no longer cling to the habitual ways and muddle on.

Meanwhile, we do not expect the three Secretaries of Departments and 11 Directors of Bureaux to continue extinguishing fire only. If the Government is capable of enhancing the subjects of discussion to a higher level with which we are unable to catch up, then it is not necessary for them to extinguish fire any more. We should replace the old with the new and analyse with rationale. We should be bold yet prudent, and be firm with our convictions. We must not act in a perfunctory manner. Neither should we cater to others' liking, nor waste the efforts of society. It is only through this that we will be able to achieve a breakthrough.

President, as we review the history, we had a number of Financial Secretaries who stuck to old practices over the years. When we ask the elites of society, how many of them actually remember those famous Financial Secretaries? How many of the Financial Secretaries are able to leave behind a good name in history? I believe it will take some new thinking in order to achieve this. In trying to breakthrough the present difficult times, Hong Kong must strive for a new direction and a new target. I very much hope that the Financial Secretary will lead us to take this step. He is a person with boldness and resolution.

I would like to put forward two suggestions with the aim of throwing out a sprat to catch a mackerel. First, how do we break away from the reliance of the Civil Service or the community on the "guideline culture"? Why must we have guidelines? Why was the disappearance of a baby's body attributable to guidelines? Why must guidelines be read prior to taking any actions? Why can front-line staff not use their brains in the course of work? Why do they not think carefully about the objective of working eight hours a day? Second, how can we enhance the independent thinking of the middle level and the front-line management level, so that they will ponder on what they are doing instead of simply following guidelines in every action they take? What is the reason for the emergence of the prevailing "follow-the-lead" culture? We still have the "follow-the-lead" culture in the entire society. There is also the "follow-the-lead" culture in our Civil Service. Everyday those "leaders" have to check the subordinates' line-to-take. What is the reason behind this? If I, Sophie LEUNG, am capable of standing here as an independent person, expressing my ideas, my views, and acting in accordance with what I wish to accomplish, any Tom, Dick or Harry among the 7 million population of Hong Kong is capable of doing so. It is not impossible. Why can our officials not begin to think like that? It is best for Hong Kong if we can break away from these two cultures.

President, there are only two reasons for not wishing to break away from the "follow-the-lead" culture. First, there is the wish of having protection, getting paid without being responsible, looking for self-preservation. However, I would like to tell these people, Heaven is fair in giving everyone equal wisdom when he is born. The question is whether he knows how to make use of it. Right now, it seems that we have sealed our personal wisdom at a certain stage and will not release it for use. And this is attributable to the "guideline culture" and the "follow-the-lead" culture.

Probably the Government has to take the lead in letting the community understand the indicator of the quality of people. This is something we have to think about. President, I am not a politician. I am just a person who has switched to politics late in my life. I am certainly not a politico. In fact, I am a layman to canvassing votes. I have tried to learn to do so but to no avail. I view myself as a social activist who see a lot of discontent and dissatisfaction in the atmosphere of the community. But these can be changed. I also have many expectations. President, I sincerely hope that the Government will listen to the words spoken from the bottom of my heart.

MR TIMOTHY FOK (in Cantonese): President, in the face of the ferocious waves of the financial tsunami, various governments around the world are continuing with the provision of additional relief measures to save the market. Members of the public in Hong Kong are craning their necks, looking forward to the Government's instant measures to "counter the tsunami and rescue the economy". In the Budget announced by Financial Secretary John TSANG on 25 February, preserving jobs is the primary approach. The Government will directly create jobs or subsidize enterprises to provide temporary jobs and internship positions. With regard to unemployment, particularly the young people who become unemployed upon graduation, these measures will exert immediate effects. However, as suggested by the Budget, the best approach to secure employment is to revive the economy. The provision of these temporary jobs will only manage to offer short-term relief and help a fraction of people. But what happens afterwards? How about the rest of the people?

Each time the latest economic data relating to unemployment rate, export figures, and economic growth is released, the warning bell of recession is again sounded. The Government gives an undertaking in the Budget that government expenditure will not be reduced. But with regard to initiatives of restructuring

the economy and steering Hong Kong to economic recovery, there is a necessity to increase the intensity and the forward looking approach. It is obvious that various governments around the world are prepared to use enormous amounts of money for the implementation of drastic economic measures. Earlier this year, Singapore announced in its Budget a bail-out plan of over HK\$100 billion, among which over HK\$20 billion will be devoted to preserving jobs alone. In Taiwan, at the end of last year, the Administration also generously mobilized HK\$20 billion for the introduction of consumption vouchers. These examples have demonstrated the determination and resolution of related governments in spearheading the community to rebound from the rock bottom.

By comparison, we have a fiscal reserve of over \$400 billion in Hong Kong, but the Budget has only committed \$8.3 billion for concessions, \$1.6 billion for creating jobs. It seems it is inadequate in terms of the proportion of resource allocation, as well as the ability to predict economic and social crisis. The economic structure built on the basis of pillar industries has brought long periods of prosperity and affluence to Hong Kong. But these traditional advantages have been gradually overtaken by other regions. The cargo transport and logistics industries of Shenzhen and Guangdong, the gaming tourism of Macao, and the announcement of developing Shanghai into an international financial and shipping centre, have posed serious challenges and threats to the economic pillars of Hong Kong. The Budget has also stated that it is necessary to develop new economic initiatives. Earlier, a committee to specifically study into identifying development opportunities for Hong Kong economy has been set up. However, this is still in the planning stage. I am afraid it is a solution too distant for solving an immediate problem.

Over the years, the Government has all along handpicked creative industries as the new impetus for economic growth. Nevertheless, it has not drawn up concrete and substantial policies for promoting the industries and measures for implementation. Paragraphs mentioning substantial measures regarding creative industries are also few and far between in the Budget. The creative industries in Hong Kong, such as the movie industry and the design sector, are boastful of tremendous strength, solid foundation, and a galaxy of talents. The standard of their production and products is among the best in the world. In addition to that, the historical background of its merging of eastern and western cultures, and the precipitation of such cultural characteristics have provided Hong Kong with potentials to develop into a creative metropolis and a cultural metropolis. Among creative cultural industries, the publishing sector of

Hong Kong has all along ranked first in the Chinese-language market. If the Government is serious about developing creative industries, it absolutely has the potential to become the new pillar of our economy.

In the policy address, the Chief Executive announced the setting up of a Creative Industry Office with a view to integrating resources as well as performing co-ordinating and planning work. An important step is already taken in the entire journey of development. In the light of the small size of our local market, and the general trend of global market integration and regionalization, if the Government wishes to vigorously develop creative industries, it must extend our vision and thinking from Hong Kong's own position to the level of market integration and complement of the Pearl River Delta Region, or even the Mainland and the Asian region. It must assess from a broad perspective, and formulate overall policies and initiatives of the entire industry and market development. A comprehensive reform of the existing piecemeal approach and fragmented mode of government subvention must be implemented. All factors, such as policies, talents, markets, resources, are imperative. Not one of them can be left out.

Moreover, in the course of economic development, we must not neglect the promotion of sports. As a matter of fact, the impacts of sports have already overtaken the objective of keeping us strong and healthy. It is capable of giving full play to the role of strengthening cohesion, and creating enormous business opportunities. Take last year's Beijing Olympics as an example. When Hong Kong was co-hosting the equestrian events, we could notice the harmonious atmosphere in the community. Another example is the Seven Rugby Competition which has just come to an end. It was also able to create an obvious effect of cohesion. Therefore, the development of sports also plays an important role in the economic development of Hong Kong. By the end of this year, for the first time in history dating back to the inception of Hong Kong, we will host the first international combined sports event — the East Asian Games. Unfortunately, there is still no finalized date of the construction of a most basic large-scale stadium in Hong Kong.

(Mr LEUNG Kwok-hung brought a large object in gold colour into the Chamber, and put the object down on the aisle of the Chamber)

In the face of the severe economic situation, the Government should adopt a more rigorous approach and accomplish more for the community. The destructiveness of the tsunami is so deep that it cannot be fathomed; and so extensive that the end cannot be seen. If we do not seize the opportunity and introduce effective measures to revitalize the economy, the recession will deteriorate, making it difficult for the pace of recovery to move forward. I hope that the Government will later introduce subsequent plans with increased intensity.

With these remarks, I support the Budget.

PRESIDENT (in Cantonese): Mr LEUNG Kwok-hung, would you please put the large object in a place where it will not obstruct the aisle?

(Mr LEUNG Kwok-hung put that object down on the aisle at the back of his seat)

MR LEUNG KWOK-HUNG (in Cantonese): It will not obstruct anyone now.

PRESIDENT (in Cantonese): If you put it there, it will obstruct Members when they want to go from your back to return to their own seats.

MR LEUNG KWOK-HUNG (in Cantonese): OK, I will display it right now.

PRESIDENT (in Cantonese): Would you please put it down?

(Mr LEUNG Kwok-hung then put the object on his seat)

MR LEUNG KWOK-HUNG (in Cantonese): President, this will do, right?

(Mr LEUNG Kwok-hung held the object in his hands)

PRESIDENT (in Cantonese): Mr LEUNG Kwok-hung, the object is blocking my view of the rear of the Chamber. I suggest that you put the object down, or put it on the floor. Would you please do that?

MR LEUNG KWOK-HUNG (in Cantonese): Bro, is this all right?

PRESIDENT (in Cantonese): Would you please put it horizontally on the floor?

MR LEUNG KWOK-HUNG (in Cantonese): President, have you started counting my speaking time?

PRESIDENT (in Cantonese): It is not your turn to speak yet. Mr LEUNG Kwok-hung, just put it down first. You can display it later when it is your turn to speak.

MR LEUNG KWOK-HUNG (in Cantonese): Well, I will take it away for now. I am sorry.

(Mr LEUNG Kwok-hung took the object out of the Chamber)

MR CHAN HAK-KAN (in Cantonese): President, in respect of the Budget, since Secretary Dr York CHOW and Under Secretary Dr Kitty POON are both present, I would like to talk about environmental protection and health care first, and then talk about the issue of young people.

President, we can see from the Budget of 2009-2010 that funds allocated to the policy area of environment amount to \$8.6 billion, representing an increase of 30% over last year. In addition, the fact that the Financial Secretary mentioned the concept of green economy in the Budget Speech has illustrated the determination of the Government in tackling environmental issues and the great importance the Government attaches to the subject.

However, does an increase of resources represent that our policy can be smoothly implemented? Recently we have engaged in a heated discussion of the verdict of the Coroner's Court on the death of the 19-year-old female undergraduate student Miss CHONG Chung-yin who was tragically crushed to death by a falling tree trunk in Stanley last year. The Court found that Miss CHONG had died of an accident. But this accident could have been avoided.

President, we can see from this incident that promoting greening and protecting trees is a straight forward policy without much controversy. But over the past few years, the Government has not assigned a dedicated department to co-ordinate the related work. Instead, responsibilities are distributed among 15 bureaux which tackle the work on their own. The unclear demarcation of responsibilities and the lack of co-ordination have given rise to shirking of responsibilities among the departments.

To rationalize the existing situation, the Chief Executive has asked the Chief Secretary for Administration to form an interdepartmental task force to examine the issue, and the work is to be completed in three months. Nevertheless, various mainstream views in the community opine that some work should commence immediately, such as enhancing the knowledge of front-line staff on tree protection, increasing equipment for inspection, increasing the frequency of tree inspection from two times to four times a year or more. In fact, I think the community is capable of taking up work that complements the initiatives of the Government in this regard, such as forming tree inspection teams of volunteers, a concept I have all along advocated. Inspection teams formed by members of the public that report problematic trees to the Government on an irregular basis will not only remedy the existing shortage of front-line staff, but will also cover areas and districts government departments are unable to cover.

The Democratic Alliance for the Betterment and Progress (DAB) has all along proposed that the Government should strengthen greening because it will not only improve the landscape, but will also help in resolving the serious problem of air pollution in Hong Kong. Recently the Department of Foreign Affairs and Trade of Australia has issued travel advisories, saying that air pollution in Hong Kong is very serious. This is equivalent to stamping "a black pig" on the hand of our Government. If the Government does not take relevant actions to solve the air pollution problem, it will not only affect the health of the public, but will also adversely affect the developments of the economy and tourism of Hong Kong.

The Government has recently issued a document on improving air quality, in which it mentions many different measures and cites various figures. But more importantly, the document sets out the price the public has to pay to improve air quality, such as a possible increase of 20% in electricity tariffs, and an increase of 15% in bus fares. However, I cannot find many passages in the

document that explain the benefits and advantages the improvement of air quality will generate on Hong Kong society as a whole. This makes us doubt how much confidence the Government has in the improvement of air quality. Is there any truth in the claim that the Government is only bluffing when it sets out all those figures with the hope that the public will no longer put forward views of improving air quality?

President, the DAB is very concerned about another subject of environmental protection — waste management and recovery. As a matter of fact, with the active development of recovery industry, many low-skilled jobs will be created, a lot of waste will be reduced, and the pressure on landfills will also be alleviated. However, Secretary TSANG has not dwelt on this subject at great lengths, which is disappointing.

Talking about landfills, I have to discuss the Tseung Kwan O Landfills. President, we all know that the Government will soon incorporate part of the country park into the territory of the Tseung Kwan O Landfills by way of administrative means. We have received a lot of complaints from the public. They pointed out that they had already been beset by the existing Tseung Kwan O Landfills because the odour problem had become increasingly serious.

We very much hope that the Government will face this problem squarely. We also hope that it will honour the pledge to set up odour monitoring device in the Tseung Kwan O Landfills within this year. It is also our hope that the Government will improve the management of the Landfills; put in place a mechanism that monitors the performance of the contractors of the Landfills; and sanction the contractors that produce emission pollution due to poor management. Moreover, the Government should meet with District Councils and resident groups on a regular basis, in order to exchange information with them, so that the local community will know more about the management of the Landfills.

President, I would like to talk about health care now. The recent hot topic is the issue of drug safety about which we are very much concerned. Within the short span of one month, a series of drug incidents have erupted in Hong Kong. Problems have been found in manufacturers, importers, retailers, and even the dispensing of drugs by the Hospital Authority (HA). It is as if every part of the system is sick, like the financial tsunami, only that this is a health care tsunami. And it has swept away the confidence of the public in the reliability of the Government's roles as the gatekeeper and the regulator in terms of drug safety.

Although Secretary Dr York CHOW, together with the Department of Health (DH) and the HA, has recently introduced various measures to extinguish the fire, the confidence of the public in this regard has not been restored. According to the survey conducted by the DAB last month, 58% of the respondents indicated that in the wake of a series of medical blunders, they had less confidence in drug safety of Hong Kong.

At present, there are only 28 pharmacists in the Pharmaceutical Service under the DH. Even with an additional 10 contract staff to be recruited later, the total number will be 38 only. They are responsible for inspecting 25 pharmaceutical factories, 240 importers or exporters, 860 wholesalers of poisons and over 3 800 retailers. Since there is a serious shortage of manpower, incidents involving unscrupulous traders or blunders are bound to occur at any time.

There are more than 20 000 registered pharmaceutical products in Hong Kong to date, and registration of many proprietary Chinese medicines is being processed. In the wake of the current incidents, we can anticipate that the regulatory work of drugs will be more substantial and complicated than before. We certainly understand that the Budget was formulated prior to the spate of drug incidents. So we hope that Secretary Dr York CHOW will conduct a review of the allocation of financial resources in the Bureau, and increase the financial provision for the relevant work when necessary.

In my opinion, the review committee set up by the Government should examine and review the reforms of this regulatory framework, including expanding the functions of the Pharmaceutical Service of the DH, or even upgrading the Pharmaceutical Service to a drug safety centre. Meanwhile, we suggest that the DH should adopt immediate improvement measures, including taking samples of pharmaceutical products for sale in Hong Kong for tests, or conduct surprise inspections of pharmaceutical factories, with a view to restoring public confidence.

President, starting from this year, health care vouchers are provided to the elders. At first we thought this was a good initiative. However, when we take a look at the figures provided by the Government, we have found that, as at last week, only some 57 000 elders have used the health care vouchers, that is, less than 10% of the population of elders over 70 years of age. Why have so few elders used the health care vouchers? Many elders told us that it was because too few medical facilities joined the scheme, and insufficient information was

provided to them. Meanwhile, medical facilities told us that the operation of the system was complicated, wasting a lot of their time and resources in administration. As a result, 62 doctors or medical facilities have already withdrawn from the scheme over the past three months.

President, the DAB opines that it is worthwhile to implement the health care vouchers as this is a good initiative. We hope that minor issues such as problems with the practical operation of the system and insufficient publicity will not affect the effectiveness of the scheme. We opine that the Government should collect existing views of the community and take actions to improve the scheme as soon as possible, so that more elders will be benefited, and more opportunities for public-private co-operation will be created.

President, lastly, I would like to talk about the issue of youth. There are frequent discussions in the community that we should pay more attention to our young people, particularly their drug abuse problem. It is shocking to us that even the singers to help promote anti-drug messages are involved with drug-related incidents. The Government has upgraded the level of tackling the problem. An interdepartmental task force led by the Secretary for Justice has been set up to integrate and co-ordinate efforts in combating the youth drug abuse problem. A report has also been published. But it seems all these efforts have not been able to contain the problem.

When we are reading the report, it is easy to focus our attention on the question of whether we should implement a compulsory drug testing scheme in schools. Personally I think drug testing may be too late to tackle the problem. The scheme, which involves arguments about privacy and human rights, can be categorized as a post-combating measure. It is also difficult to require every school to allocate the same amount of resources to carry out the same work. Recently I met with some friends from drug treatment and rehabilitation centre on a faith-based approach. They said that combating the problem was of secondary importance; the primary task was how we could help and educate these young people. It may not be necessary to implement compulsory drug testing in schools. What we need to do is to pay special attention to the behaviour of students. If a student is carrying thick and short straws, foil wrappings, lighters or medicine catered for the treatment of nasal congestion, it is possible that he has the habit of drug abuse. Under such circumstance, the teacher should help the

student concerned. It is not necessary to mobilize a large amount of resources to implement compulsory drug testing, which involves the issues of privacy and human rights, in order to identify students with drug abuse problems.

President, we have to emphasize that such a measure is not implemented to enable schools to punish students with drug abuse problems. We only hope to strengthen the help provided to them and help them kick the habit, so that they can gain a new lease of life and lead a normal life.

If these drug abuse activities are carried out in schools, teachers will be able to help them by following up their situation. For those youths who are school-less or jobless, or the working youths who have drug abuse problems, it is all the more difficult to help them. At present, there is a trend that these youths are going northward to abuse drugs. Counselling groups have been hoping that they can station at border check points, so that they can come into contact with more youths who go northward to abuse drugs.

When we put forward this proposal earlier, the Government responded by saying that there would be operational difficulties. However, recently I have been informed by government sources that the authorities have given permission to some counselling groups to carry out counselling work at the Lok Ma Chau Border Check Point, which has specially targeted at time slots on Friday, Saturday and Sunday nights. I thank the government departments for accepting this proposal, and hope that law-enforcement departments will be able to take complementary measures at the border check points, so as to render assistance to the work of these social workers. But most important of all, the Government should tackle the problem at source to prevent the inflow of drugs into the local market.

President, just now when colleagues talked about the Internship Programme for University Graduates introduced by the Government, they had focused on the salary of the graduates during their internship. It seems to me that the focus is biased and deviated. I understand very well that it is psychologically demoralizing when a university graduate has to take on a job with a salary at several thousand dollars only. However, I am also very worried that once the financial tsunami continues, university graduates may have to face a longer period of unemployment, which will wear down their ambition and

undermine their confidence. Providing internship opportunities to them may not be able to address the problem at root, but at least it is a stopgap measure to help them gain more working experience.

In this connection, I hope that the Government will closely monitor the participating enterprises to ensure the smooth implementation of the Programme. This will also prevent our university graduates from becoming cheap labour, and safeguard the Programme from doing a disservice out of good intentions.

I so submit, President.

DR PAN PEY-CHYOU (in Cantonese): President, in respect of the Budget, I would like to talk about several areas.

First of all, I would like to talk about the unemployment problem of the "white-collar workers". The financial services industry, the mainstay of the four pillar industries of Hong Kong, consists of industries such as the securities, insurance, and banking industries. Those engaged in these industries are at the core of the effects brought about by the financial tsunami this time around

These elites of society in the past are now dealt with the heavy blow of facing unemployment. Although the unemployment rate of the financial service industry is only 3.2%, lower than the overall unemployment rate of Hong Kong which stands at 5%, the Government has already warned about the possibility of a more ferocious second wave, or even a third wave of the financial tsunami. Insofar as the employees of the financial industry are concerned, they will not be free from such a worry.

The white-collar workers of many other industries have to face the impacts of the financial tsunami and economic difficulties as well. With respect to the "white-collar workers", once they are unemployed, they will have to face a lot of problems, such as they can no longer afford paying mortgages, school fees for further education, relatively more expensive education expenses of their children, and even living expenses. While they are not eligible for the Comprehensive Social Security Assistance, the Government has refused to put in place unemployment assistance. Unemployment will easily plunge them into hardship. As this is the case, providing relief measures to them will help them

alleviate their burden. For instance, immediate tax rebate of the reduction of salaries tax as undertaken by the Financial Secretary will at least provide them with an additional several thousand dollars. For the unemployed, the amount will be able to meet some of the pressing needs.

The Budget has also mentioned that the Government plans to issue government bonds. The Secretary has indicated that the sum raised from issuing bonds will be credited to a new Fund to be established under the Public Finance Ordinance, but he has not confirmed about the usage of the Fund.

The Hong Kong Federation of Trade Unions (FTU) welcomes the proposal of issuing bonds, but we are concerned about the usage of the Bond Fund. We opine that the Bond Fund must be used to facilitate long-term economic developments, such as some important infrastructure projects, especially projects that involve integration with the neighbouring Pearl River Delta Region, and joint developments of the necessary infrastructure; implement training of manpower and technological development and research; and promote creative industries or other new industries. In brief, the Fund should enable Hong Kong economy to scale new heights. We believe this should be the objective of the usage of the Fund.

The Secretary has included quite a lot of paragraphs on technological research and innovation in this year's Budget. The FTU is of the view that this is a right direction. However, just as the Secretary has said, promoting technological development is a long-term task. In fact, the Government has been talking about promoting technological research and fostering innovation for many years, but not much progress has been achieved. On the contrary, in other places of our neighbouring Asian region, such as Singapore and Taiwan, developments of these areas have reached a mature stage when substantial harvests are reaped. Therefore, the Government should not only talk about building a technology-based economy without acting on its words. At present, there are many departments and projects focused on technological research, such as the Science Park, the Productivity Centre, the Innovation and Technology Commission, research and development centres, and various tertiary institutions. However, with so many government departments involved, enterprises and individuals who wish to invest in scientific research in Hong Kong have no idea which government department they should contact, or even where they should approach, which results in frustration. The crux of the problem is that there is insufficient co-ordination among various government departments. When we

spoke earlier, we proposed that the Government should set up an integrated committee with interdepartmental inputs to study the issue. Right now even the task of preservation of old trees is headed by the Chief Secretary for Administration, who is discharged with the responsibility of leading 10 different departments to tackle the issue. Then why is the subject of technological research, a subject which constitutes a heavy responsibility, relates to the future economy of Hong Kong, and offers potentials as well as room for development, not led and co-ordinated by an interdepartmental official at the level of a Secretary of Department?

The current funding for technological research in Hong Kong accounts for around less than 1% of Hong Kong's Gross Domestic Product. With respect to investments of resources, I hope that the Government will increase intensity in this regard, for instance, increase the investment in the Shenzhen-Hong Kong Innovation Circle, consider introducing initiatives of tax concession and other subvention in order to attract more projects of technological research to be conducted in Hong Kong. Meanwhile, the Government should actively engage in training up talents of technological research with a view to helping them pursue a life-time career in this area and make Hong Kong their home, so that they may devote their efforts to Hong Kong's long-term development of technological research.

I am very happy to see that in preparing the Budget, the Government has unshackled itself from the passive, non-intervention, non-interference attitude of the past, and has taken on the role of a leader in this regard.

With regard to social welfare, the Budget proposes the provision of an additional recurrent expenditure of about \$19 million to enhance the care for persons with disabilities and provide the necessary training, including the provision of 156 additional residential places, 30 additional day training or vocational rehabilitation service places and 54 additional pre-school rehabilitation service places. Moreover, the Budget also sets out that funding will be provided to recruit 10 additional medical social workers. This will allow more timely services to be provided to patients and their families. The first integrated community centre for mental wellness in Tin Shui Wai will also be set up soon. It will provide one-stop community support and rehabilitation services to local residents. We welcome all these developments which meet the needs of the community.

Nevertheless, with respect to the assistance provided to persons with disabilities, although the funding has been increased, the demand is even greater. Like many other measures adopted by the Government in the past, it only gives the impression of demand outstripping supply.

According to figures provided by the Government to this Council earlier, among the queues for residential care places for persons of various disabilities, the queues for those for severely mentally handicapped persons and for moderately mentally handicapped persons are very long, with the respective number of 1 900 and 1 400, while the respective average waiting time is 78 months and 48 months, which is a very long time indeed. The longest waiting time can be found in the queue for residential care places for severely physically handicapped persons, with the average waiting time of almost 90 months, equivalent to years of lining up. The lives of persons with disabilities are difficult, and the pressure borne by their family members who have to look after them is considerable. If they are able to take care of themselves, they will not need any residential care places. But there is a great demand for these places. The increasing number of private residential care homes established every year is an evidence of the great demand.

Increasing the number of places of various residential care homes will not only address the needs of persons with disabilities and their families, but will also create a number of sustainable care positions. This is more important, because it will provide employment opportunities for a large number of people with low educational attainment and low skills. I hope that the Government will consider this from the perspective of promoting employment.

In respect of health care, the Budget has indicated that the pledge of the Chief Executive during his election campaign will be honoured. There will be an increase of health care expenditure to 17% of the Government's recurrent expenditure by 2012, an increase of two percentage points. It is encouraging to see that the Government is willing to invest more resources into medical and health care services. The FTU supports such an initiative. Moreover, we also appreciate the Government's proposal of increasing the recurrent subvention for the Hospital Authority (HA) over the next three financial years. However, will the funding be put to proper use? Will it be used in the health care services which the public urgently need? I am glad that Secretary Dr York CHOW is present now to hear this.

In recent years, the Government has been implementing a resource allocation exercise as the funding basis for health care services. The resource allocation exercise has its disadvantage in that it is only suitable for subsidizing some specific projects of smaller size, but is incapable of handling developments with systematic and overall effects. It is therefore ineffective for facilities and services which have been seriously neglected; where resources have been seriously insufficient; or which are practically non-existent in individual districts and hospital clusters. I believe with his past experience, Secretary CHOW understands clearly the existing situation.

I have seen senior executives of some hospitals going all out to lobby for the facilities of their hospitals and doing related work over the past few years. Under such a system, they have no other option but to do this. The HA may not face squarely the fact that some hospital clusters are lacking in certain services for a long period of time, until the residents of the districts have exhausted their patience. It takes the combined voices and loud appeals of the residents with members of councils to arouse some attention. In fact, such a development model is unreasonable. Given that the Government is willing to provide substantial amount of additional resources at this time, why does the Government not make good use of this opportunity to conduct an overall inspection and planning, with a view to identifying inadequacies and service needs of the districts under each hospital cluster, assessing the demands of services from an overall and macro perspective?

In replying to my question concerning the estimated expenditure, the authorities mentioned that from 2008 to 2009, the total population of elders was about 880 000. And they added that according to the population projections, it was estimated that the elderly population would increase by 1.7% by mid-2009 or earlier. The authorities plan to implement an increase of 500 enrolments in elderly health centres, accounting to only 3.3% of the drastic increase of the elderly population. When compared to the overall figure, the increase of 500 enrolments in elderly health centres provided to elders represents a reduction in terms of proportion. The additional enrolments fail to catch up with the increase in the population of the elders. It is obvious that the additional number of enrolments is insufficient. So what is the use of such a small increase? The elderly health care centres have all along been very popular among the elders. As a front-line doctor, I have often heard that many elders are turned away because of the limited enrolment. Meanwhile, there is just lukewarm response to the health care voucher introduced by the authorities. Given that the well-received elderly health centres are already in place, why does the Government not make good use of them?

On the other hand, why do the authorities not expand the scope of dental care service to a larger coverage? Is it sufficient to rely on promotion and prevention efforts? As dental expenses are expensive, the grassroots, particularly the elders among them, cannot afford paying for dental services. While many of them are having dental problems, they are unable to have suitable treatment because of a lack of means. Thus, we hope that the authorities will be willing to take up the responsibility of providing non-expensive dental services to the elders on a level that the general public is able to afford.

In the face of the impacts brought by the financial tsunami and economic downturn, increasing pressure is borne by members of the public, leading to increasing number of cases of emotional and mental illnesses. As front-line psychiatrists, we have a deep understanding of the situation in this regard. We hope that the authorities will strengthen the initiatives in providing mental health services, and attach great importance to the physical and mental health of the people.

These are my views on the Budget. I so submit.

MR WONG TING-KWONG (in Cantonese): President, the 2009-2010 Budget was drawn up in the midst of the unprecedented financial tsunami, a situation that is totally different from the economic boom marked by a huge surplus last year. The Budget on the whole gives us an impression of conservative thinking and short-sightedness. What we find conservative is that when the public is expecting strong and effective measures to counteract the impact of the financial tsunami on Hong Kong's economy and our people's livelihood, the Government still uses the principle of fiscal prudence as an excuse for not adopting more progressive fiscal measures to greatly reduce the impact of the crisis so as to help Hong Kong achieve the target of rapid economic recovery. As for short-sightedness, it is reflected in the Hong Kong Government's lack of vision to have a long-term planning and thorough consideration of the role of Hong Kong and its development in future.

Facing the financial tsunami which has swept the world like a storm, all the countries and regions have been introducing large-scale bail-out measures. For Hong Kong, as a small economy, how much ammunition is available?

Last year, Hong Kong had fiscal reserves of up to \$484 billion, which accounted for about 30% of the GDP, a rather impressive proportion. According to the rough estimation, the Government foresees that there will be an annual deficit of \$39.9 billion in the coming two years. In case the deficit rises to \$70 billion a year, that is, a total of \$140 billion for two years, the fiscal reserves will drop to \$344 billion in March 2011. Still, this amount can cover 12 months of government expenditure.

Hence, in the midst of economic downturn though, Hong Kong still has the ability to adopt counter-cyclical economic policies in a more proactive manner. Moreover, apart from its own resources, the Hong Kong Government may consider generating disposable resources through issuing bonds, which is a common practice of many governments. In fact, Hong Kong has the experience of bond issuance. In 2004, when the fiscal reserves dropped to the level that could only cover 12.7 months of government expenditure, the Hong Kong Government issued bonds and notes of a total amount of HK\$20 billion.

It is hoped that the Government will seriously consider strengthening the effort for economic recovery in its mid-term review this year.

The DAB welcomes the enhanced SME Loan Guarantee Scheme (SGS) and Special Loan Guarantee Scheme for Small and Medium Enterprises (SPGS) introduced by the Government to alleviate the difficulties of the small and medium enterprises (SMEs) in financing. These two schemes can really meet the urgent needs of some of the SMEs. Besides, the DAB also welcomes the Government's measure for extending the network of the agreements for the avoidance of double taxation, which is expected to help reduce the tax burden of the enterprises.

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

SMEs are the carriers as well as the backbone of Hong Kong's economy. Apart from making more effort to assist them in financing, the Hong Kong Government should also offer them support in other ways. However, the Budget this year only has several lines on the measures for helping the SMEs. In view of this, the DAB hopes that more effective measures will be introduced by the Government, including the establishment of a special fund to provide low-interest

loans for enterprises with potential, extension of repayment periods and restructuring of debts for enterprises, the setting up of an appeal mechanism for the SGS, support to Hong Kong enterprises for starting their businesses in the Mainland and emerging markets, as well as clarification of the definition of "sources of income" in terms of taxation, with a view to helping the SMEs and meeting the increasing demand for cross-boundary economic activities.

Hard hit by the financial tsunami, many Hong Kong enterprises are facing the difficulty of inadequate orders. Brand development will help the enterprises open up new markets, including the mainland market, to reduce the impact of diminishing exports to traditional markets. To speed up brand development in the industrial and commercial sectors, especially the SMEs, the Hong Kong Government may consider setting up more short-term or long-term exhibition and sales platforms in the Mainland and Hong Kong. In recent years, I have proposed the establishment of an "all-year-round capital of exhibitions and sales", an idea that is able to meet the needs of the industrial and commercial sectors and thus worth studying. The Government may take the lead to organize trade exhibitions and promotion groups, which will help the SMEs open new markets. Moreover, to further enhance the quality of the promotion of local brands, the Hong Kong Government may also set up a Branding Centre for branding studies and research, which can offer strategic and technical support, and provide training for brand-building talents. Facing the financial tsunami, the Government may provide the SMEs with the allowance for brand promotion activities to enable more enterprises to join these functions for enhancing the popularity of their products.

In addition, according to the findings of the study of the Global Entrepreneurship Monitor participated by the Centre for Entrepreneurship of The Chinese University of Hong Kong, the rate of early-stage entrepreneurial activities in Hong Kong is 10%, that is, 10 out of every 100 people aged 18 to 64 will consider starting a business. It is lower than the rate in China, which stands at 16%. Though it might be risky to start a business, being an employee nowadays is not safe either. This is particularly true in the midst of the financial tsunami when the impact is unfathomable. Having found their "rice bowls" even more insecure than before, some of the employees turn to entrepreneurship. If effective support can be given to these entrepreneurs to help them continue their business, more job opportunities will be created.

Will the Hong Kong Government consider offering support in terms of venues, funds and operation assistance? For instance, to enterprises with potential, the provision of a loan guarantee, reduction or exemption of government fees and charges, provision of tax relief and organization of workshops with the industrial and commercial sectors can be considered. Even the establishment of an entrepreneurship centre can be an option, with a view to providing low-priced business venues to serve as a platform for business operation and exchanges among entrepreneurs.

Deputy President, Hong Kong is the bridgehead for communication between the internal and external markets. In the past, the Mainland was relatively isolated that its seclusion brought many development opportunities to Hong Kong. However, since the introduction of reforms and adoption of the open door policy, the Mainland's economic power has been rising. Under these circumstances, the position of Hong Kong as an export, entrepot and logistics intermediary for mainland goods has weakened, and the role of the Hong Kong manufacturing industry characterized by the "front shop and back plant" operation mode has also diminished. The relations between Hong Kong and neighbouring cities in the Pearl River Delta (PRD) Region or even Shanghai have become a combination of co-operation and competition.

If Hong Kong still hesitates to take a more proactive attitude to adjust its role in the region and the world according to the global and regional changes as well as its comparative advantages, or if it does not have the vision for long-term development to meet the challenge of regional economic growth and competition arising from globalization, it will be gradually marginalized and its development will not be sustainable.

The SAR Government has to put its words into action. As said in the Budget, it should take up the role of "a champion" seriously to find the right position for Hong Kong in regional development. The Hong Kong Government should take a more proactive attitude to strengthen its communication with the Mainland. In-depth studies in the long-term economic development of Hong Kong should also be conducted with a view to working out directional visionary plans as well as practicable policies and measures, while adjustments should be made constantly to consolidate and further develop Hong Kong's comparative advantages in order to broaden the foundation of co-operation. Besides, the SAR Government should take initiatives to participate in the formulation of regional and national development plans, to put forward Hong Kong's ideas to the State, and to seek the Central Authorities' support for our ideas.

The advantages of Hong Kong lie in the services sector. However, due to the restrictions on systems and structures, collaboration between Hong Kong and the Mainland in some relatively sensitive industries such as the financial industry and the professional services sector has made little progress. Recently, through the Outline of the Plan for the Reform and Development of the Pearl River Delta (2008-2020) (the Outline), the Central Authorities have provided the PRD Region with the "imperial sword" of pilot implementation, which is definitely a new opportunity for deepening the co-operation relations between the two places. The SAR Government may establish a structure similar to the "pilot implementation office" on the Mainland to conduct studies. Through the best use of the pilot implementation policy, it may take the initiative to propose a checklist or scope for pilot implementation so as to eliminate the restrictions on systems and structures, and to remove the obstacles to the linking of markets. In this case, the room for collaboration between Hong Kong and Guangdong Province in the financial industry and the professional services sector can be further broadened to achieve a mutually beneficial and win-win outcome.

The advantages brought by the four pillars of Hong Kong's economy will not last forever. Only through the development of new advantages and the creation of new roles can Hong Kong retain its position as an all-time champion. Can Hong Kong, with its advantages, change its role from an export and entrepot intermediary in the past to a service outsourcing intermediary and a professional services consultation centre? Can it change from a centre for attracting funds to an international centre of advanced technology transfer and patent registration? Or from a purchasing centre focusing on the Mainland to an exhibition and sales centre as well as a brand-name centre targeting at both the mainland and international markets? Can Hong Kong's role as the financing base for the Mainland be enhanced? Or can Hong Kong be developed into an off-shore centre for RMB? It is our hope that Hong Kong can be developed into a metropolitan of finance, commerce, trade and services targeting at both the mainland and international markets. We also hope that Hong Kong can play the role of a consultation platform linking the Mainland to the world, as well as a convergence point between the capital markets in the Mainland and overseas countries.

The motivation of the SAR Government for countering the financial tsunami and reviewing the role of Hong Kong is very important. It is hoped that the Government will meet the future challenges with an innovative mindset and a forward-looking perspective.

Next, I would like to talk about innovative technologies and creative industries. Thanks to the advantages in systems and mature development of commerce and trade, Hong Kong has attracted many overseas talents. Moreover, our well-developed telecommunication systems and infrastructure, smooth connection with the world, the education level of our people and market acceptability of new products are all favourable conditions for developing innovative technologies.

Over the past few years, though the authorities have made a lot of effort to help develop innovative technologies and creative industries through the projects of the Science Park, the Cyberport as well as the establishment of various funds, overall speaking, Hong Kong's achievements in these areas, to say the least, is not strongly felt by the general public.

Regarding the estimated expenditure, I had made an enquiry to the authorities on the economic effectiveness of the research work currently supported by Hong Kong, and they replied that it was hard to quantify it. Anyhow, we think that the authorities have to strengthen the technology transfer work according to the research and development results. For instance, a university in Hong Kong has conducted considerable research on the electric cars mentioned in the Budget and the results are satisfactory. As the car manufacturing industry on the Mainland is well-developed and it has made a lot of effort to develop electric cars in recent years, can the SAR Government work with the Mainland to develop this industry?

Besides, there is much room for Hong Kong to develop creative and cultural industries, which are part of an emerging economic force. The CreateHK Office newly established by the authorities, in particular, can play a major role. We hope that with a focused management of resources, we can co-ordinate and carry out plans for the development of Hong Kong's creative industries in a more effective way. It is also hoped that Hong Kong's creative culture can be fully enhanced in all aspects, including education, product design and digital image.

Deputy President, as Shanghai's status as an international financial and shipping centre has been confirmed by the State Council, the development of the Yangtze River Delta (YRD) Region will surely accelerate. Not long ago, the State Council also approved the Outline, in which Hong Kong is included for the

very first time. If Hong Kong can grab the opportunity to work more closely with the PRD Region at all levels, I believe, both the YRD and PRD regions will act as "the two legs of China", leading the country moving forward in the foreseeable future.

Thank you, Deputy President.

DEPUTY PRESIDENT (in Cantonese): Mr WONG Ting-kwong, your speaking time is up.

PROF PATRICK LAU (in Cantonese): Deputy President, the Financial Secretary said that the Government should show its commitments to the community during exceptional times. However, the Budget does not offer much help to the public. Regarding the tax reduction measures announced last month, the amount of reduction is even less than that of last year, that is, below \$25,000. Those with an annual salary of over \$900,000 can just have \$6,000, while those with \$200,000 will only get a tax reduction of several hundred dollars. This is hardly "an exceptional measure at an exceptional time" as the Government said. Is this what you mean by "working together with our heart and soul"?

(THE PRESIDENT resumed the Chair)

I think the Financial Secretary, who places the emphasis on preserving jobs in the Budget, actually has taken the right direction. However, the measures are not strong enough and their effectiveness is in doubt. Among all, the internship allowance for university students has been criticized most. Many Members have pointed out that the intention of introducing such an allowance is good, but the result is quite unsatisfactory as it has in a way created a minimum wage of \$4,000 for university graduates, which drags down their salary level in the entire market.

We from the Professional Forum suggest that the Government should work with the big enterprises to ensure their support for this programme with the

provision of sufficient internship posts. We also appeal to the enterprises, instead of really offering a \$4,000 job to a university student, to pay more than the requested amount of \$2,000.

In fact, I think the Government's internship allowance should be primarily offered to graduates who must have completed internship before they can acquire the qualifications for practice, just like the architects and surveyors in our sector. Since many companies have been affected by the financial tsunami and experiencing a decrease in the number of projects, they will not hire trainees in the midst of contracting expenditure. The Government should therefore focus its effort on helping these graduates complete their professional training. Otherwise, the resources that we have put in university education over the years will be wasted and a succession problem will arise. If we do not have sufficient professionals to handle the large number of works projects in the future, it will lead to huge losses resulted from the slowdown in work progress.

Therefore, I think that the Government should create internship posts in various departments, and at the same time, include the requirements for hiring a specified number of trainees at normal salary levels in the tenders of public works projects, so as to allow graduates with expertise to have the internship opportunity in government departments or consultation agencies. This will also enable graduates to start a professional career in their own sectors after completing the professional training with a view to preventing the recurrence of the mismatch of talents.

In fact, the global economic downturn has sparked the contraction of enterprises, resulting in an increase in the number of the unemployed. The Government must introduce reasonable measures to help people in different strata. I think that the Government should urge the big enterprises to take social responsibility and work with the non-governmental organizations (NGOs) to launch social enterprises, which will create job opportunities for the unemployed in different sectors. In the long term, this is a way to help people to help themselves, and it is better than resorting to the application of CSSA and unemployment loans. Now, many NGOs in particular have to cut expenditure due to the drop in donations. I hope that the Government will co-ordinate with the NGOs and big enterprises to avoid layoffs. Is it possible to redeploy the interns to the social enterprises? In this case, our social services can be continued and all of us can work together with our heart and soul to support the Government.

President, now without doubt, creating more job opportunities is of the utmost importance. In the policy address, the Chief Executive proposed many works projects, including projects of large, medium and small scales as well as suburban and railway projects. He thinks that this is the most practical way to alleviate the serious problem of unemployment in the construction industry. The Government has already earmarked a fund of \$39.3 billion for construction works, but in order to put more projects into implementation, the core task is to accelerate the process of vetting and approval in various departments, eliminate the rigid, bureaucratic and outdated procedures, as well as compromise the differences in standards and criteria between different departments in a flexible manner.

I agree and very much hope that the Development Opportunities Office proposed by the Government can really provide a one-stop service to foster the implementation of new projects through collaboration between the Government and the public. For instance, the construction of private hospitals, elderly homes and day nurseries should be speeded up to meet the needs of the community as well as to create job opportunities in different strata. Moreover, I think the large number of vacant construction sites that we have can be used for the production of precast units. In fact, more local precast units should be used in government construction projects. Not only can it help reduce the transportation costs, but it can also ensure a better quality control, and most important of all, create more job opportunities in Hong Kong.

As a matter of fact, apart from increasing and speeding up construction projects, I think that the organization of various kinds of architectural competitions is also very important. Not only can it promote creative works, but it can also educate the public to appreciate the local architectural art and culture through the display of huge art works of innovative architecture in different places. Most important of all, to facilitate the organization of competitions, more manpower will be needed by the industry. Young architects can then seek job opportunities through the participation in these competitions.

The East Asian Games to be held this year will attract sports talents and tourists from all over the world. However, only \$78 million is earmarked in the Budget for organizing the East Asian Games and the 60th anniversary of the founding of the PRC, and these two spectacular events will only offer 260 job vacancies. I doubt if the estimated funding and manpower will be able to meet the needs of these two mega events, and achieve the theme of "Green, Cultural,

Dynamic Games". I think that in addition to increasing manpower to remove the abandoned signboards, we also have to speed up the greening projects in the whole territory with the extensive planting of flowers and trees of high appreciation value on roadsides. As a green city characterized by a green environment, Hong Kong will be able to leave a good impression to the tourists.

I think that the participation of District Councils in the community greening projects is of paramount importance. However, it is said that the current expenses on minor works in the 18 districts are running out so fast that the funds are almost used up. In view of this, to help the local communities carry out the planning and beautifying work of the environment, which will create more local job opportunities, should the Government reconsider the ways to allocate funds to enable the District Councils to play their role to the full? In fact, the management and maintenance of trees is very important. Not only do we have to recruit more landscape architects to help manage the trees in Hong Kong, but we also need the assistance of District Councils to carry out the tree maintenance work in the 18 districts. I know that the Chief Secretary for Administration will take the lead to fulfil this task, and he must have sufficient manpower to carry out monitoring work in various districts.

President, environmentally-friendly architecture is vital to a green city. It is accurate to allocate \$130 million to enhance the energy efficiency of government buildings and public facilities. Nevertheless, is it possible to complete the relevant projects within a short period with the creation of only 200 positions? I really do not understand. Should we not create more job opportunities by promoting environmentally-innovative industries? For instance, there is actually a high potential for developing products generated by renewable energy such as solar power and wind power. We should take this business opportunity to create more jobs.

Regarding the entire Budget, what I appreciate most is that the Government has accepted our views and the opinions of many citizens to introduce the \$1 billion Operation Building Bright, and most important of all, to grant the eligible elderly a subsidy of 100% of the maintenance cost, subject to a ceiling of \$40,000. This programme is an improvement of the old one, which only offered a subsidy of 50% of the cost. In fact, the elderly cannot afford the maintenance cost at all, not even half of it. But if they have a 100% subsidy, the situation

will be different. Helping the elderly improve their living conditions is actually a way to pay respect to them. It is also a way to help speed up the building rehabilitation works so as to beautify the environment of the local communities. Now the public supports the programme with much enthusiasm. Then do we have to offer them more help by expanding the programme in the future? If we give up halfway and leave a lot of work undone, many problems will arise.

Apart from building rehabilitation, local community rehabilitation is also important. Many aged people are still living in old public housing estates where they need to walk up and down long and steep stairs. I think that elevator and footbridge networks should be built immediately for the convenience of the elderly so that they will not be tormented by the scorching sun and lashing rain. In fact, the Government has noticed this problem, and I hope that it will allocate more resources to the District Councils to let them assist in the management of public spaces.

President, my sector and I welcome the Antiquities Advisory Board's eventual grading of the 1 440 historical buildings. I think the most important of all is to establish a heritage conservation fund to provide historical buildings of all grades with appropriate conservation. This is a common practice everywhere in the world. Resources are essential for the satisfactory conservation of heritage. A recent example can clearly explain this. In the midst of controversy, the Revitalising Historic Buildings Through Partnership Scheme has granted the right to a private American arts and design school to use the building of the former North Kowloon Magistracy for its Hong Kong branch campus for the reason that the school will bear the revitalizing and operation costs of the building. It means that the Government does not have to pay a dime. If there were a heritage conservation fund to provide funding support, perhaps that school would not have the opportunity to use the building.

There is a rising concern on heritage conservation in society. It is hoped that through the promotion of arts and culture, young people can be encouraged to lead a healthy life instead of being addicted to game machines, the Internet, karaoke or even drugs. Appropriate education policies are important elements for the promotion of positive life attitudes, and I am especially concerned about the development of creative education. Hence, the Hong Kong and Shenzhen Bi-City Biennale of Urbanism and Architecture organized by the Hong Kong

Institute of Architects is an event worth supporting. The public can take this opportunity to go with their children to see the rarely visited heritage sites and know more about architecture and planning. This is the best creative education. I hope the Government will continue its support for educational events like this.

In today's globalized world, education and science research are very important. At the last meeting, my motion on reviewing the role of the University Grants Committee was passed. We all hope that the Government will allocate considerable resources to education, and at the same time, carry out appropriate policies to develop Hong Kong into an education hub. Most important of all, the funding for research has to meet the needs for the overall sustainable development in Hong Kong. Some people from my sector told me that the Ministry of National Development in Singapore had approved the allocation of SGD 50 million, that is, approximately HK\$250 million in the coming five years for establishing a research fund. The most important thing is that the fund will only be used for applied research and research development related to architecture. Secretary, as a graduate of the Massachusetts Institute of Technology, you should be well aware of the crucial status of the Institute in architectural research. Architecture can help enhance the life quality of Singaporeans and turn Singapore into an outstanding international city. I hope that Hong Kong can do the same.

The Hong Kong Government should also increase the funding for applied research in environmentally-friendly architecture so as to create more job opportunities at the research level. I hope that there will be an ongoing provision of places for master's degree courses and research programmes in planning and landscape architecture as well as resources for applied research to really help enhance Hong Kong's competitiveness. Mr Andrew LEUNG is very concerned about the Government's policy on electric cars. President, longing to make a contribution, I have already reserved a sum of money for a locally-designed electric car. But I am not able to find one. I would like to ask Secretary TSANG when and where I can buy a locally-manufactured electric car. In response to the Government's appeal, I really want to help revive the economy with my heart and soul.

I so submit. Thank you, President.

MR LEUNG KWOK-HUNG (in Cantonese): President, first of all, I have something to give to Financial Secretary TSANG.

There are two groups of people staging a demonstration outside, one being university students. I received two letters, one of which addressed to him is from the Student Union of The Chinese University of Hong Kong and students of the Hong Kong Federation of Students. Despite that his car did not run very fast, he had turned away at that moment. As it has always been my style to relay public views here using colloquial expressions, so I am asking him to receive the letters instead of walking away with his head held high. Or else, he will show to the world that he has actually acted as if those two groups of people outside are not there.

There is one more thing here which the President asked me to take away earlier to avoid blocking people behind me. It bears the face of the Secretary and the piece of gold there is not real because universal pension has yet to be provided. It is as simple as this. Since it is too heavy, I am not going to give it to him. Nor will I throw it at him, so he needs not be afraid. Seeing that it was so hard for an old lady to carry, I then promised to bring it inside for her. In order not to cause any inconvenience, can Members take a look at it now? Because the President will send me off again if it blocks anyone's way.

Exactly what are we discussing here today? I heard that two Members challenged me, saying that I have used vulgar language in this Chamber. They even made a mockery of the occasion. Even the Government has stopped talking about it, but Members of this Council still continues to attack the League of Social Democrats. If I were present at that time, I would have played a trick by rising to say that he offended me.

It is very simple that Mr CHEUNG Man-kwong — to put it somewhat crudely — is hypocritical. He said that we must act rationally and fight peacefully even in the face of such a major event as the 4 June incident, not to mention our struggle in this Council where no blockade of military vehicle is necessary. Should we interpret following the logic of Mr CHEUNG Man-kwong, the person who blockaded the military vehicle on that day would deserve death because he had set a bad example for children. Can military vehicles of the People's Liberation Army be blocked? The Government declared curfew on 21 May and the crackdown did not occur until 4 June. DENG Xiaoping said this was right because he completely failed to understand the logic of organizing a mass movement against an autocratic regime.

If I should be reprimanded today for the vulgar expressions that I have used, then how about WU'ER Kaixi — Members may recall that he was wearing a suit jacket and pajama pants when he met the then Premier. While the Premier was highlighting the situation of the country, WU'ER Kaixi stopped him and said that many people were lying outside in the cold. He then invited the Premier to first go outside to meet with those people who were on hunger strike. It seems that he was not courteous at all. I know that if I repeat those four words again today, the President will probably rule that I should be sent off from the Chamber right away. An inescapable dragnet has been cast, so I am not going to say them until the very last moment.

What is the problem then? Mr CHEUNG Man-kwong said that he was a member of the education sector. I learnt that the Hong Kong Federation of Education Workers has launched a co-signature campaign against the use of vulgar language by the three Members of the League of Social Democrats, who have set a bad example for children. I wonder if Mr CHEUNG Man-kwong, Chairman of the Hong Kong Professional Teachers' Union (PTU), will follow suit. What exactly is the problem, Secretary TSANG? Earlier, Prof Patrick LAU said that he was a student of the Massachusetts Institute of Technology. Inquiring with earnestness, right? Whether or not an expression is vulgar language has been defined. Without further discussions, the whole world is now accusing the League of Social Democrats for using vulgar language, and everyone is pointing their fingers at us. May I ask what justifications those people who accused us for using vulgar language have? No, they do not have any. The first person I wish to challenge is Secretary Henry TANG, and the second one is Ms LINN. However, on second thought, I consider it not worthwhile as she is after all an employee. Hence, the second person I need to challenge is Emily LAU instead. Today, I am going to challenge CHEUNG Man-kwong and WONG Kwok-hing because the latter asked me to dispense charities. Let me tell him, I sleep very well because I have not supported a political regime that massacred our compatriots. That is why I sleep so well.

(Mr WONG Kwok-hing raised his hand)

PRESIDENT (in Cantonese): Mr LEUNG Kwok-hung, please be seated first and let me see what question Mr WONG Kwok-hing has. Mr WONG Kwok-hing, do you want to raise a point of order?

MR WONG KWOK-HING (in Cantonese): President, I want to

PRESIDENT (in Cantonese): Do you want to raise a point of order?

MR WONG KWOK-HING (in Cantonese): Yes, I want to raise a point of order.

PRESIDENT (in Cantonese): Please go ahead.

MR WONG KWOK-HING (in Cantonese): I wish to seek an elucidation. When did I

PRESIDENT (in Cantonese): Mr WONG Kwok-hing, it is not a point of order if you wish to seek an elucidation. If you seek elucidation of a point made by Mr LEUNG Kwok-hung, you must first obtain his permission. Should you wish to elucidate the part of your earlier speech which has been misunderstood, you will have to wait for your turn to forward your request after Mr LEUNG finishes his speech.

MR WONG KWOK-HING (in Cantonese): Fine, President. I wish to ask Mr LEUNG Kwok-hung through you if he would accept my request and make an elucidation.

PRESIDENT (in Cantonese): Mr LEUNG Kwok-hung, will you accept Mr WONG Kwok-hing's request and make an elucidation?

MR LEUNG KWOK-HUNG (in Cantonese): I prefer finishing my speech before he seeks an elucidation, so I will continue.*(Laughter)*

I am aware that this Council does not belong to me ever since I first joined it. I do not come to Central to please those busy and glitzy people here, and I have said this many times before, not just today. You may say that the terms we

used are colloquial or we are of low taste, but now the Government highlighted time and again that we used vulgar language, this is nothing but a political blow. Have you ever seen any government writing to the president of a parliamentary assembly time and again, pointing out that the ruling made was wrong? This is what it did to Emily LAU, accusing that the ruling made by her was wrong. I wonder if the Government has written to the President, but Henry TANG subsequently informed and even wrote to the media on a number of occasions. I wonder if he has written to the President. Donald TSANG and even the "supreme ruler" LI Gang later made a similar remark. If this is not a deliberate blow, what is it then? When a person is accused of doing something wrong, he will certainly ask for evidence. As we can see, what is our request in respect of the vindication of the 4 June incident? We want a thorough investigation of the incident before deciding on what to do next. Mr CHEUNG Man-kwong always urges the Communist Party to thoroughly investigate into the 4 June incident. Does this mean that incidents relating to "small potatoes" like us need not be investigated thoroughly? Can they just accuse us of using vulgar language in this way?

I have never seen such a barbarous place before, President, and I can only think of one thing. I believe people at your age should have heard of "HAI Rui dismissed from office" — I am certainly not referring to the relevant historical event, but the drama "HAI Rui dismissed from office". After Prof WU Han wrote this drama, MAO Zedong said it was against the Party and was actually making use of history to criticize him. This nationwide criticism led to the rise of three persons, namely YAO Wenyuan, ZHANG Chunqiao and JIANG Qing. As far as I can remember, WANG Hongwen rose to prominence only at a later stage after he started a rebellion in Shanghai in 1969 1968. Is it necessary to do so in Hong Kong nowadays? You said that the Council could not continue with its meetings because of us, which is a lie as a ruling was immediately made by our brilliant President, and thereafter we left. It is not like what happened during the Cultural Revolution when people blindly supported the Government. Some revolutionaries Am I asking anyone to come into this Chamber to pull you out in the middle of a meeting, like what was done to WANG Guangmei and LIU Xiaoqi?

PRESIDENT (in Cantonese): Mr LEUNG Kwok-hung, let me remind you that we are now resuming the Second Reading debate of the Appropriation Bill 2009.

MR LEUNG KWOK-HUNG (in Cantonese): I get it. President, the claim of the League of Social Democrats is very clear, it is only that Secretary TSANG has not listened. I once told our former Financial Secretary Henry TANG that Hong Kong's future needed development, and guess what did Henry TANG say? He said, "Mr LEUNG, I am the Financial Secretary, I am meeting you this time to discuss the Budget but not anything broad in scope." This is how he sent me away. It was 2005, my first year as a Legislative Council Member. Fortunately, TUNG Chee-hwa was promoted due to his leg pain, and then it became the Secretary's turn to assume the office of Financial Secretary. I have liaised with the Secretary a number of times, have I put forth any proposal?

I have once proposed the introduction of stamp duty, which is impossible now as people no longer gamble here. I have suggested the adoption of a progressive tax regime of up to 22% to address the problem of a lack of fund to promote welfare, health care and education, but the Secretary did not do so.

This year, however, the Secretary said that counter-cyclical fiscal policies should be adopted. But unfortunately, public expenditure has not increased. If we look at the expenditure on education and social welfare, it has instead decreased after deducting the inflation factor. What more can I say in view of what you did? Fine, if we cannot talk about anything broad in scope, we should better switch to the mere \$6,000 MPF injection. We have suggested that this sum of money should be directly paid to those low-income earners who are living from hand to mouth, rather than paying them until they are 65. Otherwise, it would seem that this sum of money is merely saved to buy coffins. It is more desirable to let them first spend the money on food. You have nonetheless refused, and now something has gone wrong. The cheque While many workers, including one who is 65, complained to me that the money was not credited into their accounts, some have already received it despite that their savings have exceeded the limit. This is the administration of our Government.

The League of Social Democrats was the first to propose that we should start with minor infrastructure projects, and I have requested Henry TANG to undertake pipe replacement projects in the first place. Now that all the roads have been dug up by the departments concerned for the works projects, right? Did you say that we have not put forth any proposal? Are you sick? We have proposed the launching of the Greeners Action. Not only have the details of the scheme been clearly set out, but also the need to recruit staff to engage in environmental protection. Apart from tree planting, we have also proposed the

extensive installation of solar power generators on the rooftops. Will these proposals not create job opportunities? It is completely wrong to say that we use vulgar language because we are besmirched that no proposal has ever been made. On the contrary, it is the Government which owes the League of Social Democrats a normal reply. While I have mentioned the issue of stamp duty, for instance, so many times, no reply has been given by the Government. If stamp duty could be increased by 0.02% at that time, we would have accumulated a large sum of money and would not be lacking in money today. Instead, you have played with the word "counter-cyclical", saying that you are a fan of CHOMSKY. Of course, he is a linguist. Are you playing with words again? The only difference is that he plays with words for the sake of justice, but this is not the case for the Secretary.

I remember that someone gave me a book mark when I entered the Building, which says, "In any parliamentary assembly that is controlled by the rich and the bourgeois class, there must be some problems with you if you are commended." I am so honoured that I am now being condemned. This remark was made by Ms Rosa LUXEMBURG, a person whom I respect very much. I remember LENIN praised her that though she flew even lower than a fly, she remained an eagle. It did not matter if she flew low because she would fly high in the future.

Honourable Members, what are we discussing now? Some people considered the use of those four words in the Council coarse and I should be sent off from the Chamber right away, thereby setting a precedent. However, I want to remind the President that the term was previously used in front of you, Rita FAN, LAU Kong-wah and TAM Yiu-chung. So, why was I not sent off at that time? Is this a deliberate blow? Why did Secretary TANG dismiss a term that has precedent in the Legislative Council as vulgar, and hence stopped Members from the League of Social Democrats from making speeches time and again? I wish to ask LAU Kong-wah, TAM Yiu-chung, President and Rita FAN: Why was no ruling made at that time? Have they adopted a double standard?

LU Xun wrote a poem when he was torn between the Communist and some stupid literals. He writes "Our new literary garden in forlorn silence placed, the old battlegrounds with tranquil calm are graced. Somewhere twixt the two, a lone foot soldier standing by, shoulders his halberd, wandering the earth and sky". Today, I am going to echo it with another poem: "In this superb Legislative Council, very little criticism will be of great help. Using colloquial terms to condemn the bigwigs would attract crazy hypocrites". We are unequivocal in

our struggle against you. Similarly, walking over to you to stop you from speaking and grab your glass of water is also an unequivocal act. Why have you resorted to such dirty tricks in terms of language to distort the meaning of what was being said?

Honourable Members, this struggle is not going to end. Should Henry TANG or Donald TSANG fail to provide an explanation on whether the term is vulgar language, will he withdraw his remarks? We may then see if this is a credible Government. I asked the President and he said that the term was not vulgar language. So, how about you? Withdraw or not? If not, why should I bother to debate with you? Are you not again setting a bad example for students? This is a distortion of the facts. How can he ask us not to waste any more time? He would certainly say so for DENG Xiaoping had also said the same thing. People died in the 4 June incident, but there were calls that it should not be discussed anymore. Honourable Members, the term "stumbling on the street" is definitely not vulgar language. It is you who have dismissed it (*The buzzer sounded*)

PRESIDENT (in Cantonese): Mr LEUNG Kwok-hung has finished with his speech, but towards the end of his speech, he again mentioned a term which has caused great controversies inside and outside the legislature over the past week or so. For this reason, I have to make a ruling here.

I understand very well that Mr LEUNG Kwok-hung and some Members of this Council have expressed very strong reactions to the defining of the term used by Mr LEUNG Kwok-hung just now as foul language or vulgar language. However, I have to point out that the acceptance of language used in this Council should not be simply defined as it being vulgar or not. In my opinion, we should refrain from allowing the time of this Council to be spent on any protracted debate on the question of whether or not certain wordings are foul language or vulgar language. For more than a week, I have paid great attention to the reactions caused by those wordings inside and outside this Council. Having considered the reactions of all quarters, I rule that the term mentioned by Mr LEUNG Kwok-hung just now should not be used in this Council as a matter of propriety.

Despite the fact that, and as pointed out by Mr LEUNG Kwok-hung, the term has been used by some Members in certain meetings in the past when no

actions were taken to stop their usage, I have made this ruling now and the term should from now on cease to be used in this Council.

I trust Members, given their linguistic ability and level of wisdom, will not need recourse to such words to express their opinions and feelings in a most forceful manner. This is my ruling.

(Mr Albert CHAN stood up)

MR ALBERT CHAN (in Cantonese): Having heard your ruling, can I take your ruling to mean that the term used by Mr LEUNG Kwok-hung just now is unparliamentary language? Or you have not ruled it as foul language? I seek your elucidation on whether or not the term is foul language.

PRESIDENT (in Cantonese): As to the question of whether or not certain words are foul language, I have already stated earlier that it should not be made a question for debate in the Council. Our concern is such words should cease to be used in the Council for their unparliamentary nature. Mr LEUNG Kwok-hung, a point of order?

MR LEUNG KWOK-HUNG (in Cantonese): President, I understand what you have said, but this Government appears not to understand what you are saying

PRESIDENT (in Cantonese): Mr LEUNG Kwok-hung.

MR LEUNG KWOK-HUNG (in Cantonese): they have not said that we spoke what we spoke was unparliamentary language but they said that we had spoken foul language. If they do not retract their comments, I have to tell you that you have not solved their problem.

PRESIDENT (in Cantonese): Mr LEUNG Kwok-hung.

MR LEUNG KWOK-HUNG (in Cantonese): Did he or did he not write to you?

PRESIDENT (in Cantonese): Mr LEUNG Kwok-hung, I have already explained my ruling. As for other issues, they are not included on the Agenda today. If you have any opinions about my ruling, please do not raise them in this Chamber and in the meeting. We will sort them out with you outside the meeting.

(Some Members whispered)

MR ALBERT CHAN (in Cantonese): I wish you to further clarify one point and that is: You have not ruled that this remark is foul language, have you? President, I just want to seek your elucidation.

PRESIDENT (in Cantonese): In my ruling there is nothing on whether any words are foul language or not foul language. Dr Raymond HO.

MR WONG KWOK-HING (in Cantonese): President, a point of order.

PRESIDENT (in Cantonese): Mr WONG Kwok-hing.

MR WONG KWOK-HING (in Cantonese): President, just now when I sought a clarification by Mr LEUNG Kwok-hung, he declined an immediate clarification and I had to wait until after he had finished.

(Mr WONG Kwok-hing tried to rise)

PRESIDENT (in Cantonese): Mr WONG Kwok-hing, please sit down first and listen to my explanation of the Rules of Procedure.

When a Member is speaking, you may seek the consent of the President and the Member making the speech to ask that Member who is speaking to clarify the contents of his speech. But if that Member holds that he should continue

with his speech, then you may not interrupt when he is speaking and ask him to make a clarification. If you think that a Member has misunderstood the contents of the speech you made earlier, you may seek to clarify the part of your earlier speech which you think has been misunderstood after that Member has finished speaking.

Do you now seek to clarify the part of your earlier speech which has been misunderstood?

MR WONG KWOK-HING (in Cantonese): Yes, President.

PRESIDENT (in Cantonese): I wish to remind Members that a clarification should not develop into a debate. For this reason, you need only explain which of your remarks have been misunderstood.

MR WONG KWOK-HING (in Cantonese): Thank you, President. Mr LEUNG Kwok-hung said earlier that I had asked him to "dispense charities". But I have actually not named anyone to do so. President, my original remarks are, "I hope Honourable colleagues in this legislature can respect themselves, carry out self-examination and exercise self-discipline. They should not become vulgar Members using abusive language. I hope all of us can do good deeds and 'dispense charities'." This is my original intention. Thank you, President.

DR RAYMOND HO: President, being an open economy and an international financial centre, Hong Kong is not immune to the impact of the financial turmoil triggered by the United States' subprime crisis. The recent economic woes have again brought to light the underlying weaknesses of Hong Kong's economy.

For years, our economy has become too much dependent on the service sector, particularly the financial and real estate sectors. Both are highly susceptible to cyclical economic fluctuations. It is particularly encouraging to see that Mr John TSANG, the Financial Secretary, has presented in this year's Budget his ideas on developing Hong Kong into a technology-based, creative and green economy with emphasis on co-operation with the Mainland. This is a correct approach. The Budget has therefore earned good marks of 70% from me.

Infrastructure development

In infrastructure development, the Government has vowed to undertake more public works projects apart from its firm commitment to the 10 mega infrastructure projects. Capital works expenditure for 2009-2010 is estimated to be as high as \$39.2 billion, an increase of 71% from \$23 billion in 2008-2009. This excludes the injection of \$21.6 billion given to the West Kowloon Cultural District Authority.

These infrastructure facilities, some of which are cross-boundary projects, will definitely enhance Hong Kong's long-term competitiveness and strengthen our ties with the Mainland. Premier WEN Jiabao said last month in his annual government report delivered at the National People's Congress that the Central People's Government would speed up the construction of cross-boundary infrastructure including the Hong Kong-Zhuhai-Macao Bridge, the rail link between Hong Kong and Shenzhen airports and the Guangzhou-Shenzhen-Hong Kong Express Rail Link. All these three cross-boundary transport facilities are amongst the 10 major infrastructure projects.

The increase in public works expenditure is also reflected by the growing amount of funding approved by the Public Works Subcommittee (PWSC) of which I am Chairman. Eighty-two projects totalling \$71 billion were approved by the PWSC in 2007-2008. It is expected that the funding approved during the 2008-2009 Legislative Session will reach \$100 billion. As the private sector's share in total construction output is expected to decrease in view of the sagging economy, it is vital for the Government to increase its public works spending to ensure a steady volume of building and construction works. It will be definitely of help if the public sector could maintain a high share of overall construction output, preferably no less than 50% of the total volume of construction works, in view of the current economic situation.

Meanwhile, the Government needs to push ahead more smaller projects which allow the involvement of local companies of all sizes. Most local consultancy firms, contractors, and material and equipment suppliers are small and medium enterprises, which provide many job opportunities.

Promoting private development projects is also the right thing to do. The proposal on setting up a Development Opportunities Office is most welcome

although it is different from my suggestion made earlier on that large projects should be led by the Chief Secretary for Administration or the Financial Secretary. The Government must therefore include representation of practising engineers in its membership to ensure that its functions will not be further compromised. The Government should not repeat its earlier mistake of not appointing any practising engineer to the Board of the West Kowloon Cultural Development Authority and the Task Force on Economic Challenges.

The co-operation between the public and private sectors is crucial to many development projects in Hong Kong. In advanced countries, more often than not, projects are pushed out this way. If we consider the development of the promenade in the waterfront areas of the both sides of the Victoria Harbour, lands under private ownership are involved. The participation of the private sector is therefore necessary. On the other hand, the Government should consider initiating more public works projects through public-private partnership (PPP) and private finance initiatives (PFI). The Government must not be discouraged by the prejudice that links PPP with the collusion between businessmen and the Government. The sole consideration should only be based on the merits of individual projects and emphasis given to the ensuring of adequate consultation and transparency.

For the smooth implementation of the public works projects, the Government must provide relevant bureaux and departments with sufficient resources. More related professionals including engineers should be recruited to cope with the heavy workload arising from the increasing volume of projects and particularly, the public engagement exercise which constitutes an important process in ensuring smooth project delivery, but it demands considerable staff resources.

I would also like to take this opportunity to ask the Government to exercise its influence on the Mass Transit Railway Corporation to advance tender invitations of its projects upon the completion of the tender documents. Under the present arrangement, tender invitation takes place only after the funding approval is obtained, as I understand. The suggested arrangement is aiming to help optimize staff and resource deployment of interested contractors who would then not so readily reduce their staff size.

New economic initiatives

For more than a decade, I have been persuading the Government to develop our high-tech and creative industries co-operating with the Mainland. And if taking advantage of Mainland's strengths in many areas of scientific research, Hong Kong can help commercialize their findings with our expertise in financing and marketing. It is therefore encouraging to see that Hong Kong and Shenzhen are now working together in various areas under the framework of the Shenzhen-Hong Kong Innovation Circle. Our co-operation with the Guangdong Provincial Government in areas of technological development will also fit in with the strategy in upgrading and restructuring our economy. Exploring the feasibility of Phase Three of the Hong Kong Science Park is a logical step to move forward.

Green economy

I support the Government's initiatives in promoting a green economy. For our mutual benefits, Hong Kong and Guangdong must work together to transform the Pearl River Delta Region into a green and quality living area. Apart from the joint efforts, Hong Kong must also take up our share of responsibilities. Promoting the use of electric vehicles is a good start. Their wider use as well as the installation of travellers should also be considered in New Development Areas (NDAs) and the Kai Tak Development. Priority should be given to the introduction of regional or district water cooling systems in NDAs and Kai Tak.

I welcome the initiatives in promoting green buildings as suggested in this year's Budget. However, they are no substitutes for the Government's efforts in expediting the introduction of mandatory compliance of the Building Energy Code to improve energy efficiency and conservation in new and existing buildings.

In the course of transforming Hong Kong into a green city, the Government must not miss the opportunities to help develop our own economical or environmental-related industries, which have become a multi-billion-dollar business in the world.

Optimizing the supervisory framework of Hong Kong's financial system

As Chairman of the Legislative Council Subcommittee to Study Issues Arising from Lehman Brothers-related Minibonds and Structured Financial Products, I am happy to note that the Financial Secretary has promised to take into account the Subcommittee's views and recommendations made upon completion of the investigation which is expected to conclude next year. It is not unreasonable to believe that its recommendations will form an important basis for the Government's review of the present regulatory regime.

Tourism and exhibition facilities

Tourism is always a major industry in Hong Kong. The Government must increase investment in building more tourism and exhibition facilities. It is an appropriate decision for the Government to finance the construction of the Kai Tak cruise terminal. Meanwhile, the Government must also make more efforts in strengthening our exhibition facilities in view of the fierce competition from the neighbouring cities such as Macao and Guangzhou.

Promoting further development of the bond market

I totally agree that promoting the development of the bond market is important to reinforcing Hong Kong's position as an international financial centre. I suggested in early 2000 that the Government should raise \$100 billion through bond issuance to finance new development projects, so as to spur our economy. In the end, the Government did issue \$20 billion worth bonds linking with five tunnels and one bridge. The Government ought to revisit my suggestion which is still relevant to the current economic crisis. President, I so submit.

MR ALBERT CHAN (in Cantonese): President, today we have a debate on the Budget. In the past, each time before we started our debates, there were members of various groups gathering outside the Legislative Council. This year, in terms of the number of groups, I think it is the lowest on record. Perhaps it is because the political parties and groupings, instead of striving for a fair Budget, have all diverted their efforts to the opposition against the League of Social Democrats (LSD), which I think is really pathetic. Now there are two groups outside the Council. One of them is the group of university students and another one is the group of the elderly.

First of all, I would like to thank Secretary TSANG for accepting the two things that I gave him at the request of the university students before the meeting. They are a bottle of Lucozade and a big envelope with the signatures of more than 1 000 students inside, who oppose the Government's introduction of the so-called internship allowance of \$4,000. For the Lucozade, there is a reason for bringing it here. Secretary, since the students have found that your hair begins to turn grey, which is a sign of ageing, they think that you are getting old and probably do not have sufficient energy for drawing up a budget. That is why you have worked out such a disappointing and shameful proposal to help university students seek jobs. As there are still several days to go, they hope that the Secretary can go home to drink the Lucozade tonight so that you can have more energy to consider working out some amendments, alternative options and better proposals. Therefore, I hope that the Secretary will accept the students' kindness. Instead of making disturbances and throwing bananas like us, they are so caring. Having noticed that the Secretary begins to show some signs of tiredness, they immediately give him a bottle of Lucozade.

President, the Budget this year has aroused a lot of controversies. In terms of newspaper coverage, this Budget probably has the most extensive coverage ever, setting a new record in history. There is a historical reason, which to a certain extent leads to such a wide coverage, President, and it involves the use of financial resources of the Mainland by the Constitutional and Mainland Affairs Bureau. Once I pointed out to Secretary LAM that the Government had set up four offices on the Mainland, and that many Hong Kong people were arrested and imprisoned by the mainland authorities for various reasons and their families did not know if they were still alive. I believe that many Members, including our President, have received a lot of such complaints. Over the past years, every Member engaged in district work has received hundreds of such complaints. I have also received hundreds of such cases, which involve businessmen, professional drivers and ordinary residents. Many people were detained due to some disputes on buildings. In many cases, they finally had to bring a large sum of money (\$50,000 or \$100,000) back to the Mainland to solve the problem. For those who wished to visit the detainees, they had to pay several thousand dollars for each visit. Such cases are really countless.

As the Secretary for Constitutional and Mainland Affairs, having received the money from taxpayers, you can walk up and down hills to visit the pandas. As a civil servant in Hong Kong, when Hong Kong people get into troubles on the Mainland, should you try to find out what has happened to them? This is the

question I put to him. At first, he replied that no agreement was made between the Hong Kong Government and the mainland authorities. Then I asked if he could ask for the mainland authorities' permission for visiting the detainees. He immediately responded that it was not respectful to ask the mainland authorities for that. In view of this, should I call him "a dog official"? Is what he said merely bullshit? I made a strong accusation because of this, and then Yuk-man added a few words, which were ruled earlier as unparliamentary language but not vulgar language by the President. However, these words have aroused great controversy. Afterwards, I visited the districts and told the residents that those officials, with an annual salary of over \$4 million, preferred visiting pandas to caring about the lives of Hong Kong people. Should I say "bleep the street"? President, the word is "bleeped". Every nine out of 10 people tell him to "bleep".

(Some people said "PK")

MR ALBERT CHAN (in Cantonese): Right, English words and phrases like "PK", "stumbling on the street" or "drop dead".

MR WONG YUK-MAN: Or go to hell.

MR ALBERT CHAN (in Cantonese): What you have said is unparliamentary language, Yuk-man. President, it is actually this incident that has led to this controversy. However, the media did not report the incapability of the Secretary and his negligence toward Hong Kong people's rights and interests. Only the *Oriental Daily* and *The Sun* had more detailed reports on this. Television and radio, especially the Commercial Radio, completely ignored the background of the issue. All the media in Hong Kong, under the instruction of the Government and the Central People's Government Liaison Office, came together with some of the royalists in the Council to attack and slander the LSD. They used the dirty tactic of slandering with big headlines to accuse the three of us from the LSD of using vulgar language. Can you tell me which sentence is a vulgar expression? The Democratic Party also joined in. All of them left. They are not in the Chamber now. CHEUNG Man-kwong was the first one saying that we used vulgar language

MR LEUNG KWOK-HUNG (in Cantonese): KAM Nai-wai is still here.

MR ALBERT CHAN (in Cantonese): He will be leaving soon. *(Laughter)* SZETO Wah also said that it was not a vulgar expression. CHEUNG Man-kwong, Emily LAU and others should have gone to seek advice from their seniors, and improved their Chinese before making such a judgment. In fact, President, some of the media, I cannot say all of them, have disappointed us so much in this issue. The *Oriental Daily* and *The Sun* were more professional this time. As for other newspapers and that whoever Ling from the Commercial Radio in particular she is really scarier than the "midnight scary call", is she not? From those comments, we cannot see any professional ethnics that a journalist should possess. President, I have already drafted a letter of complaint, which will be sent to the Broadcasting Authority later.

President, let us go back to the Budget. I have just said that some students outside the Legislative Council gave two gifts to the Secretary. Besides, they have also requested me to tell the Secretary that those elderly people outside come to the Legislative Council very often, hoping that the Secretaries of Departments and Directors of Bureaux will specifically consider the introduction of a universal old age pension scheme or a universal retirement protection system. Unfortunately, even in an affluent society like Hong Kong, we do not have such welfare benefits.

President, in the midst of the financial tsunami, the Budget not only fails to alleviate the difficulties of Hong Kong people, but it also brings them troubles. Troubles are not brought by the LSD. We only accused the Secretary of preferring visiting pandas to caring about the lives of Hong Kong people. Our comments have led to serious repercussions. Members and media workers, instead of criticizing the Secretary for ignoring the interests of Hong Kong people, have aroused considerable controversy just because of one such expression. Their standard of judgment and areas of concerns can thus be clearly seen. Members from the so-called royalist camp in particular, have diverted the focus of the issue and turned a blind eye to the Government's complete negligence of the rights of Hong Kong people.

President, the troubles that I have just mentioned are clearly shown in two examples, one of which is the increase in tobacco duty. President, I am against smoking, and I do not smoke. More than that, I often persuade "Long Hair" to

quit smoking. But regarding the formulation of taxation measures, studies have to be made. When chatting with some administrative officers in the Ante-Chamber today, I said that in the 1990s, we often saw the so-called "social and economic impact assessment" in the policy papers, which listed out the possible impacts of a proposed policy in detail. In recent years, however, we have not seen such an item for many policies.

When Hong Kong was still a British colony, perhaps due to the concerns on social stability and policy impact, traditionally, detailed analysis and assessment were made before the formulation and endorsement of a policy. In recent years, however, such a tradition has gone. Perhaps this is the result of the implementation of the political accountability system, under which all the Secretaries of Departments and Directors of Bureaux have become "Yes Men". York CHOW is the best example. He thinks that we would better kill all the smokers. Regardless of the consequence, just kill them all.

Tobacco is an industry, a product and a part of the economic activities. All these roles are interrelated and interactive most of the time. When formulating a policy, a government is unreasonable not to consider the possible impact of the proposed measure, whether a significant transformation or a substantial tax increase, on certain industries. However, our Government has not considered this at all. It just heroically stands on the moral high ground. Some Members from the democratic camp also oppose smoking on the moral high ground and they just want to kill all, including the 10 000 or so newspaper hawkers and their families, whose income has suddenly dropped 30% to 40%. Since half of the income of the newspaper hawkers comes from cigarette sales, it is hoped that our Honourable Members will sympathize with their sufferings.

Affected by the substantial decrease in the income from cigarette sales, which varies from over 50% to the worst of 70%, some newspaper hawkers even have difficulties in paying their children's school fees. In spite of this, the number of smokers in Hong Kong has not reduced significantly. Some organizations heroically said that they had received many more help-seeking calls on their quit smoking hotlines, and that the number of calls they received per month had risen from less than 20 to 300. It seems that it is a great achievement to receive 300 calls. More than 10% of Hong Kong people are smokers, and now with only 300 calls, they are already so happy because they think that there

is a significant increase. Nevertheless, have they noticed that about 10 000 people are suffering from this? Standing on the moral high ground, they do not care about this at all. They do not care about people's livelihood those people have lost their livelihood they remain indifferent to people's sufferings.

So you see, President, this is really terrible. As a parliamentary assembly, this Council must consider the impact of a public policy on different people and care about the fundamental rights of the minorities, including the right of livelihood. How can you be so callous and ignorant to do such things to ruin other people's livelihood?

We have barristers and senior counsels here. For the interests of the minorities, can you cap your service charges at \$2,000 a month in future? For those doctors and professionals, can all your service charges be capped in future? To protect the public interests and promote the long-term development of Hong Kong, all professional service charges should be capped at \$2,000 a month in future. Is this moral ground high enough? Why do you not stand on it? Why do you not wave this flag? This is precisely the ugly side of this Council. Everyone just safeguards their own interests but at the same time pretends to be saints. No one cares about the lives of other people. This is the ugly Council. This is insincerity and hypocrisy.

Therefore, if you keep on ignoring the lives of these ordinary people, it reflects that you are hypocritical, cruel and without social conscience. There is an upsurge of illicit cigarette-selling activities. Some sellers, who drop leaflets with telephone numbers into mailboxes, even provide express delivery service that cigarettes can be promptly delivered to customers' homes. Now, some brands of illicit cigarettes are even out of stock. On the other hand, there is also a significant increase of 30% to 40% in the sales of cigarettes that pass through the Customs. Some brands have even been sold out. However, Secretary, the Government's duty revenue has instead dropped because all those are duty-free cigarettes. I do not know if the Secretary has considered these factors when deciding to carry out this policy. If not, it must be due to carelessness in the formulation of the policy. And if Members still support this policy, then it is a misfortune for society.

President, some Members just mentioned that Secretary Henry TANG was appointed as "the tree captain". According to some media, this is an opportunity for him to prove his ability. But actually this is a joke. As a Secretary of

Department, he should take up the co-ordination role whenever a problem arises. In fact, the Chief Secretary for Administration is responsible for the co-ordination of different departments. He should have taken the initiative to do such work instead of waiting for the order of the Chief Executive. Honestly it is so disgraceful. It has exactly exposed the Secretary's impotence, incapability and lack of motivation. As the Chief Secretary for Administration, he should take the initiative to co-ordinate with several departments to hold a meeting for policy discussion, and there is no need to wait for the Chief Executive's instruction. Now the scenario is that having been kicked at the bottom, he still gives no response. He does not have any motivation but just follows the order of the Chief Executive. Therefore, the media should better stop pretending to be smart as your shoe-shining skills are so bad that the Secretary's feet are now full of shoe wax.

In fact, those who are familiar with the operation of government departments all realize that this is a Donald TSANG's trick to insult Henry TANG. Moreover, Henry TANG is really nothing. He hangs around and does not know what he should do. He co-ordinates the tree management work just because this is an order of the Chief Executive. So his performance is really disappointing.

President, regarding the Budget, the LSD has submitted to the Secretary a proposal of 20 pages, which includes recommendations on the fostering of social equality, improvement in social security, insistence on the Government's role, creation of job opportunities as well as interaction between revenue and expenditure. Our recommendations are very simple. For example, we request the Government to hire some people to stand beside the traffic lights to ensure the pedestrians' compliance with the traffic signals so as to avoid jaywalking. The Government may offer these people an hourly payment of \$30 to \$40 so that they can earn more than \$100 each day. Not only will it help reduce traffic accidents, but it will also create job opportunities. Let us cite one more example. Since the hills in many country parks are even balder than my head, I wonder if the Government can recruit some staff for tree planting as a way to create job opportunities. In fact, these are the things that can be done but not done. This is not the first time that we propose these measures, but the Government has all along refused to take any action. I often point out that unlike the hills in the southern part of the Mainland which are covered with trees, many hills in Hong Kong are bald. Many of our proposals, including the one on the establishment

of a \$20 billion poverty alleviation fund, have not been accepted by the Government (*The buzzer sounded*) I hope the Secretary will reconsider them.

Thank you, President.

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

(No other Member indicated a wish to speak)

SUSPENSION OF MEETING

PRESIDENT (in Cantonese): If no other Member wishes to speak, I now suspend the meeting until nine o'clock tomorrow.

Suspended accordingly at twenty-seven minutes past Six o'clock.

Appendix 1

REQUEST FOR POST-MEETING AMENDMENTS

The Secretary for Development requested the following post-meeting amendment to Question 9

Line 2, first paragraph, page 25 of the Confirmed version

To amend " the 2007-2008 Budget speech " as " the 2008-2009 Budget speech " (Translation)

(Please refer to line 2 to 3, last paragraph, page 5917 of this Translated version)